THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXI | Member of Audit Bureau of Circulations | ★ PUBLICATION OFFICE: TORONTO, DECEMBER 11, 1937 ★ | 10c a Copy; $5.00 a Year | No. 50

The Nation's Business

[Lo]w-cost [Ho]using

[W]HILE news filtered from Ottawa this week that the Gov[ern]nent is preparing support for a [low]-cost housing project at the com[ing] session of Parliament, Toronto [pro]perty owners voted down a [va]gue, hasty proposal involving [so]me $6 millions of federal, provin[cial] and civic money.

[T]he Toronto vote is of more than [loc]al significance. It showed clearly [tha]t property owners will not sup[por]t hastily proposed schemes, espe[cia]lly when they are mixed up with [loc]al politics. Toronto citizens (like [mo]st other Canadians) probably [f]or some type of remedial action to [ass]ist those who cannot pay an [eco]nomic rent. They are not pre[par]ed, however, to give support to [th]e propositions such as the one [sud]denly thrust before Toronto's [pro]perty owners. They are probably [not] convinced as yet that any ade[qua]te solution has been found to fill [thi]s need for housing assistance [am]ong the poor.

* * *

[C]ANADA has been accused of lag[gin]ging behind in providing proper [sh]elter for those who cannot pay an [eco]nomic rent. Existing federal [ho]using plans have done construc[tiv]e work in stimulating housing [an]d renovation among larger income [gro]ups, yet even the expenditure of [so]me $15 millions annually for re[lie]f rentals has failed to provide a [ba]r toward better housing for the [lo]wer third" of the population.

[I]n many ways the slowness with [wh]ich we have moved has been an [asse]t. Great Britain has been gradu[all]y developing a low-cost housing [tec]hnique over a period of several [dec]ades; it only reached its fruition [in] recent years. The United States [is] still experimenting and has re[ce]ntly started a plan quite different [from] its previous ventures. If Canada [ha]d attempted a large-scale attack [on] the problem it is probable we [wo]uld also have made costly mis[ta]kes.

* * *

[A]S YET the special report on low-cost housing made to the Gov[er]nment by the National Employ[m]ent Commission has been kept a [cl]osely guarded secret. Though it [ha]s been in the Government's hands [fo]r nearly 10 months it has been [ne]ither vetoed nor approved—offi[cia]lly. Meanwhile low-cost housing [pl]ans (with one or two exceptions) [co]ntinue at the mercy of local poli[tic]ians and little or nothing is being [ac]complished even in an experimen[ta]l way.

Canada need not tackle low-cost [h]ousing in a lavish, expensive man[ne]r. But some leadership should be [gi]ven. We should feel our way care[fu]lly and cautiously toward an [e]ventual right solution of the prob[le]m.

* * *

[C]anada's Mentally [U]nemployables

[F]ROM time to time The Financial Post has emphasized the need of [']rebuilding" the morale, physique [a]nd skill of our unemployed men [a]nd women. This job has been em[p]hasized by the National Employ[m]ent Commission as one of the most [i]mportant facing Canada at the [p]resent time if we are to lift our[s]elves permanently from under the [p]ressing burden of public relief.

If further evidence were needed [o]f the importance and urgency of [t]his job it is contained in the strik[in]g story contributed this week by [W]illiam H. Cranston of the Midland [F]ree Press, which appears elsewhere [i]n this issue. It tells, in the concise, [i]ntimate speech of a weekly news[pa]per editor, the problems of a com[m]unity which found itself heavily [b]urdened with able-bodied men and [t]heir families on relief, yet unable [t]o fill a constant demand for work[e]rs. It is a startling case history of [C]anada's "mentally unemployable."

Midland's experience, in the hands [o]f a business-like town council and [b]acked by a strong independent [n]ewspaper, has led to a "no work, [n]o relief" policy and a drastic re[d]uction in relief costs. It points not [o]nly a financial moral for hundreds [o]f Canadian communities with simi[l]ar problems but also it shows the [n]eed for definite steps being taken [i]n Canada to reduce the number of [o]ur "mentally unemployable."

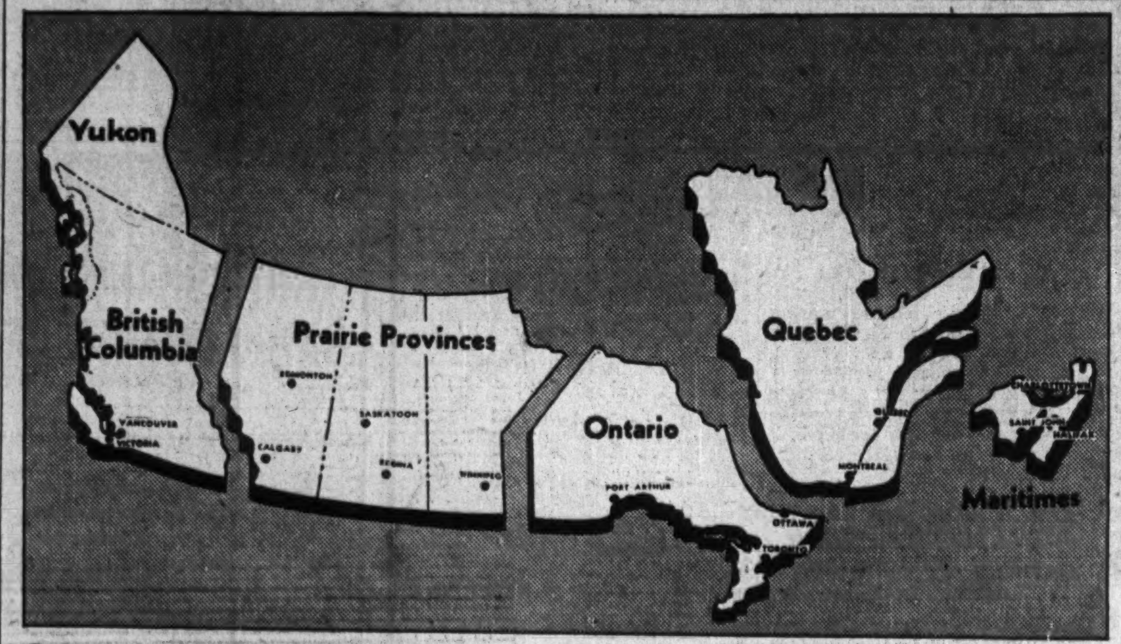
* * *

[A]nticosti Still [P]art of Canada

A NEWSPAPER story about the threatened sale of Anticosti Is[l]and to a German syndicate has [r]aised the defense bogey across the [c]ountry. In the good old days it was [t]he heights of Quebec which were [t]he strategic key to Canada's in[t]erior. In all probability they still [a]re, but that does not prevent well-[m]eaning nationalists rising in hor[r]or at the thought of this huge [i]sland, which almost blocks the en[t]rance to the St. Lawrence, being [o]wned by foreign interests.

Most discussion of Anticosti over[l]ooks the fundamental difference [b]etween ownership and sovereignty. Anticosti is a privately owned tract [o]f land just as millions of other [p]ieces of land around and within [o]ur shores are privately owned. Un[le]ss special legislation were passed [t]here is no way in which a govern[m]ent could prevent the sale of such [l]and to a foreigner — although dic-

(Continued on page 2, col. 3)



By natural geographic and economic division, Canadian territory already falls into five main regions. Briefs submitted to the Rowell Royal Commission point the way toward making this division administrative as well. The union of British Columbia and the Yukon was mooted some months ago, proposed merger of the Prairie Provinces is now before the Rowell Commission, and consolidation of the Maritimes has long been suggested.

Basic statistics covering the five regions are shown below:

	Area in Sq. Miles	Population (1937 Est.)	Net Funded Debt (1936)	Net Production (1935)
Maritimes	51,237	1,075,000	$151,698,065	$ 156,430,683
Quebec	594,534	3,135,000	170,210,482	607,222,088
Ontario	412,582	3,711,000	644,112,955	1,050,064,179
Prairies	753,497	2,434,000	440,745,175	393,915,741
B. C. & Yukon	573,331	755,000	‡146,852,865	187,087,995

‡Excludes Yukon.

Business Men Feel Manitoba is Pressing For too Much Help

Bleak Picture Presented to Rowell Commission — Broad National Approach to Question of Redividing Provincial and Dominion Powers

By NORMAN A. WHITE
Staff Writer, The Financial Post

WINNIPEG.—Manitoba's brief to the Royal Commission on Dominion-provincial relations proves without doubt that some form of assistance will have to be granted to the province through a reallocation of financial relations as between the Dominion and the provinces, but there is a strong feeling here, especially among businessmen, that the province has overstated its case and asked for too much.

The picture which the Government has painted for the commission of its position and of Manitoba economy is a rather bleak one and one hardly befitting the usually optimistic West. Its brief ignores almost completely the improvement of the past two years and the present prosperity arising from good crops. In an attempt to prove its case the Government has resorted to extensive use of 1933-35 production figures of Manitoba, as compared with pre-depression years.

It is generally recognized that statistics for a single year or covering a short period may be misleading. For instance, Manitoba agriculture production in 1936 was $77 millions and for 1937 is estimated at $127 millions. Neither of these figures by themselves gives a proper perspective, especially when it is known that the 20-year average for agriculture production is $113 millions.

Political Reasons Seen

The reason for the sombre presentation of the Bracken Government is difficult to find. However, some feel that the Government has asked for a lot in the hope that it will get part of its request, while others regard the presentation to be of a political character. The latter suggest that the Government felt it had to ask what it did in order to keep in office as it lacks a majority in the legislature. Since the opposition parties both desire a cut in interest and increased services, any other course might have presented difficulties for the Government.

The most logical explanation, however, is perhaps that contained in the brief of the Winnipeg Board of Trade, although the latter was not aware of the contents of the Manitoba brief. In stating that the central viewpoint to be maintained in seeking a solution of our present difficulties should be that of the citizen rather than that of administrative bodies, the Board of Trade states that "the very necessities of the enquiry call for the presentation of a case by provincial governments."

Not only do the businessmen here think that the Government has exaggerated its "case," but they feel that as far as the Government brief is concerned that the taxpayer is the forgotten man. Recommendations of the Government give no assurance of a reduction in provincial taxation, since provincial services are to be increased. At the same time it is probable, if the proposal is accepted, that Dominion taxes will have to be increased because of the larger federal expenditures necessitated by

(Continued on page 2, col. 3)

Manitoba Asks Big Debt Shift

Urges Rowell Commission Consider $10 Millions Benefit

From Our Own Correspondent

WINNIPEG.—On the basis of the 1936-37 budget, aggregate benefits of over $10 millions would accrue to the Province of Manitoba under its proposal to the Rowell Commission for capitalization of its subsidy and cancellation of its relief debt to the Dominion. Further, the province would have very little debt which it would have to service from general tax revenues.

As at April 30, 1937, gross debt of the province was $128 millions. If the amount of its own securities held in the sinking fund, $19 millions of relief debt and $52 millions of other debt, which it is proposed that the Dominion should assume, then the balance owing by the province will be $48.9 millions.

Most of this balance of $48.9 millions of debt is self sustaining. Only $15.4 millions of highway revenue will be serviced from tax revenue, and this by allocation of a proportion of gasoline tax revenues.

Actually, the net debt will be even smaller since in this compilation no account is taken of securities held in the provincial, telephone and power commission sinking funds, other than those of the province itself.

Total interest charges on the balance of provincial debt if refunded on a 3¼% basis would be $1,590,244. Against this, however, the province would receive interest from the telephone commission and other self-sustaining enterprises and municipalities interest of $1,424,777.

What Are The Benefits?

What are the benefits accruing to Manitoba citizens from the proposals?

First, the province is to be relieved of a considerable burden of debt and interest charges through assumption by the Dominion of $26 millions of relief debt. Of this amount, $19 millions is owing by the province to the Dominion and $7 millions to other creditors. The proposed assumption by the Dominion of $52.8 millions of

(Continued on page 2, col. 6)

May Hold Up Hydro Plans

Gatineau Proposal Likely to Delay Beauharnois Contract

From Our Own Correspondent

MONTREAL. — Hydro-Electric Power Commission of Ontario has put forward a proposal to Gatineau Power Co. the reception of which will govern renewal of contractual relations between the Commission and Beauharnois Light, Heat & Power Co.

It is understood the proposal was considered by directors of Gatineau early this week, but no information is available as to the outcome. Unofficially it is believed Hydro offered to extend the life of Gatineau's 10-year contract another 20 years in return for which Hydro would be permitted to enter into an arrangement with Beauharnois without having to take additional Gatineau Power at this time.

Until such time as Hydro reaches a compromise with Gatineau, the Beauharnois agreement will be held up.

Teeth in Contract

When Gatineau Power entered into a new contract with Ontario's provincially-owned system, following cancellation of the original agreement, it was provided that

(Continued on page 2, col. 3)

Hiram Walker Plans Growth In Gt. Britain

Company Sees Opportunity in Scotch Whisky Market

LOANS STILL NEEDED

Hiram Walker-Gooderham & Worts, Ltd., with plans virtually completed for expanding facilities in the United States, is starting a long-term programme in Great Britain.

Early in 1938 Hiram Walker & Sons (Scotland) Ltd., a wholly-owned subsidiary, will complete at Dumbarton a Scotch grain distillery at an estimated cost of £450,000 (approximately $2.2 millions). This new distillery will have an initial capacity of 2.5 million imperial proof gallons a year.

The Scottish subsidiary already owns two malt whisky distilleries, Glen-Burgie and Milton-Duff-Glenlivet and three old-established whisky blending businesses in Glasgow, George Ballantine & Son, James & George Stodart Ltd. and Stirling Bonding Co. Scotch whisky is sold as a blend of malt and grain spirits and Hiram Walker will now complete facilities for distilling both kinds.

To Attack British Market

With the producing and marketing facilities thus established, the company plans a twofold attack on the Scotch whisky market. The new plant will be used to supply a rapidly growing export trade in Scotch whisky to the United States and as well it is planned to invade the British market, for many years dominated by Distilling Co. Ltd.

In this field it is estimated that from seven to ten years will be needed to build up inventories of properly aged whiskies. Whiskies are required to be aged in wood at least three years before sale in Great Britain. Such a long-term project, involving the investment of probably between £3 millions and £4 millions, would only be possible to a company which has another source of earnings such as Hiram Walker-Gooderham & Worts has in the United States and Canada.

Prospective Shortage

Officials see definite prospects of a shortage of good grades of Scotch whiskies in the not far distant future. In the United States it is known that consumption of Scotch whiskies rose from 15% to 20% in the first eight months of 1937 over the preceding year. In the first nine months of 1937 indicated consumption of liquor in the United States was about 85.2 million gallons, an increase of approximately 9% over the corresponding period of 1936. Consumer preference seems to be shifting toward spirit blends, as withdrawals of domestic whisky showed a gain of less than 1%.

It is on such figures and a knowledge of available stocks that Hiram

(Continued on page 4, col. 6)

Ontario Plugs Holes In Death Duties Act

Powers of Commissioner Clarified to Avoid Legal Issue

By R. A. McEACHERN
Staff Writer, The Financial Post

Premier Mitchell F. Hepburn's amended Succession Duty Act, his reason for calling the special session of the Ontario Legislature last week, was found less terrifying than originally feared.

Amendments put teeth in the Act, but at least they didn't make the mouth any bigger.

Penalties for failure to pay up are higher. Legalisms which successfully stalled estate investigations in the past are eliminated. No loopholes for escape or delay are, it is believed, left unplugged.

But no new principle, nor any broader application of principles already involved in the Succession Duty hunt are established.

The Act as amended is simply a more effective, much neater and, in some respects, more equitable version of the previous Acts.

Penalties Doubled

Most serious feature of the hunt from the point of view of heirs is not affected by the amendments. The You-never-know-when-you're-done complaint remains. Estates which paid a Succession duty years ago and were given what appeared to be a "clean bill of health" are now frequently being opened, and many heirs are living in fear and trembling, wondering what sin of omission or commission in that original settlement may be dug up by the Hepburn investigators. The penalty in cases where heirs and officials fail to come to an agreement and the estate is put before a commissioner is raised from 100% to 200%.

Under the old Act, heirs might sometimes have hoped that court delays would eventually see a new Provincial Government in power with less zeal in the Succession Duty hunt. The amended Act seems to offer little hope that this tactic will any longer be possible.

Commissioner's Power

New sections relating to the appointment and powers of the commissioner appointed by the treasury department to investigate estates is the most important change in the Act.

Heretofore, enquiries were frequently stalled or nearly stalled on the charge of the defense that the commissioner was appointed in such

(Continued on page 3, col. 1)

Moore Corp. Pays Dividend Bonus

Business of Moore Corp. has been much better this year than in 1936 in spite of a decreased sales volume in the last quarter, and a bonus of 40 cents has been declared along with the usual quarterly payment for the same amount, payable January 3, 1938, to shareholders of record Dec. 10.

Most of the company's business is done in the United States, and sales there were exceptionally good in the first part of the year. Canadian business has been good, but has fallen off slightly in recent weeks.

Anticosti Sale Still In Future

Sale of Consolidated Paper to German Group Only Rumor

From Our Own Correspondent

MONTREAL.—Rumors that a German syndicate was about to purchase Anticosti Island from Consolidated Paper Corp. for the purpose of erecting a 200,000-ton sulphite mill at a cost of around $6.5 millions has no confirmation in fact.

The report developed because a commission of German forestry experts, headed by Dr. Heinrich Woollert, is making a survey of the pulp situation in Canada and the first property to be investigated will be the Anticosti Island unit. The Commission officially denies that it has any intention of buying the island or building a sulphite mill

It has been known for some time that various groups were interested in acquiring control of Anticosti. This was reported in The Financial Post last August. The Island, which covers an area of 3,100 square miles and is estimated to contain 15 million cords of pulpwood, was originally acquired for $6.5 millions from Senator Menier, of France.

It is known that Consolidated Paper is willing to sell the property, but not at a bargain price. Over the past year options have been extended, but no definite offer has been put forward

Highlights

Spreading the Risk

What are the advantages and disadvantages of "holding companies" in the mining field? Page 19

Ghosts from the Past

Will the annexation bogey be raised again over the proposed Canada-U. S. trade pact changes? Page 11

Cinema Sidelights

Canadian "movie" houses have done fairly well at the box office this year, but have to deal with a fickle public. Page 10

London Calling

Atticus dines with some of England's top-flight aviators. Page 3

Slum Clearance

What are our slums really like, and what are we doing about it? Page 13

No Work, No Relief

Midland, Ont., council seeks to get value for its relief money. Page 11

REGULAR FEATURES

Banking 17
Bankruptcies 7
Bond Markets 5
Commodities 15
Construction 8
Editorial 6
Foreign Business 7
Insurance 16
Investment Trends 4
Investors' Enquiries 9
Investors' Index 2
Mining Enquiries 20
Week in Business 7
Week in Mining 18
Week in Wheat 15

Motor Car Sales Up 25% in 1937

Motor car sales in Canada for the 12 months ending with October were up approximately 25% over the corresponding period in 1936. As the new models usually appear about Nov. 1, this period represents the complete 1937 car year.

New car sales of leading makes in eastern Canada as compiled by Canadian Automotive Trade are as follows:

New Passenger Car Registration (In Eastern Canada) Leading Models

	Oct., 1937	Oct., 1936	Year to date 1937	Year to date 1936
Dodge	506	228	11,253	7,170
Chevrolet	439	358	15,904	16,132
Plymouth	427	132	10,014	6,882
Ford	398	312	15,514	13,520
Oldsmobile	290	134	4,468	3,758
McL.-Buick	228	77	3,539	2,421
Pontiac	218	89	4,947	2,262
Terraplane	115	29	2,273	1,725
Chrysler	102	53	2,701	1,915
La Salle	69	4	756	136
	2,812	1,416	71,369	55,921

Lake St. John Contract Seen

10-year Newsprint Agreement Expires This Month —Renewal Expected

From Our Own Correspondent

MONTREAL. — Lake St. John Power & Paper is now negotiating with the Hearst interests in respect to the renewal of the contract made in 1927 for the entire output of the Dolbeau mill and which expires at the end of this month.

No official word is available as to negotiations, but it is understood that progress has been made and that an arrangement satisfactory to both parties will be entered into before the end of the month.

The original contract in 1927 was made by Lake St. John and the Newspaper & Magazine Corp., a Hearst organization, whereby the latter agreed to purchase each year for a period of 10 years ending December 31, 1937, capacity production of the mill.

It is more than likely that the new contract with the Newspaper & Magazine Corp. will, in broad outline, be on a similar basis to that entered into 10 years ago.

Will Strengthen Position

With the contract renewed, Lake St. John's outlook will be considerably strengthened.

For the present year the company's financial statement will show all debt charges earned, as well as the dividend on the preferred stock. Depending upon year-end adjustments, especially for depreciation, the 1937 income statement will show earnings of better than $12 a share on the preferred, as against the dividend rate of $6, or at least $1 a share on the outstanding 100,000 shares of no par value common stock.

Returns for 1936 showed a gross income of $792,532 and after all senior charges, there was a net profit of $103,001 available for dividends on the capital stock. This was just short of the amount required to cover the preferred dividend of $106,000.

So far there has been no indication by the management of a resumption of dividends. There are no obstacles in the way of paying dividends, such as is the case with certain other newsprint producers.

Any distribution on the capital would be of particular interest to St. Lawrence Paper Mills or St. Lawrence Corp. The former owns all of the preferred stock and 51,469 shares of common, while the latter owns 24,811 shares of common.

Lloyd's Makes First Deposits

Ontario, Quebec Payments Settle One Issue in Insurance Dispute

After operating for several years in various provinces of Canada without having made the deposit with the provincial superintendents of insurance required of most companies, Lloyd's Non-Marine Underwriters have recently made a substantial deposit with the insurance departments in both Ontario and Quebec.

Starting business in Quebec in 1932 and in Ontario in 1935, after failure to secure a Dominion license, Lloyd's Non-Marine Underwriters entry was bitterly fought by other companies and by agents who charged "favoritism" in admitting them without a deposit. Premiums and commissions in many cases, it was claimed, were lower than charged by tariff companies.

Reason for Lloyd's now making a deposit is not yet clear. Rival company officers have suggested that they have been feeling competition from Lloyd's much less than in former years, partly because rates of Lloyd's have been raised while rates of tariff and other non-tariff companies have been lowered.

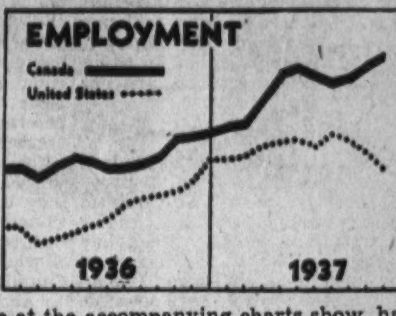
Business Trends Offer Hope Canada Will Miss U. S. Slump

Indices Now Wide Apart as Dominion Escapes Fundamental Causes of Southern Recession — Commodities Indicate Return to Firmness

By GORDON L. SMITH
Business Editor, The Financial Post

Will Canada escape the depression which in the last three months has brought United States business to its knees?

For weeks observers have nervously watched American lines of production fall from post-depression highs to the levels of 1934 and earlier. Realizing that Canada so often follows in the commercial path of the United States, Canadian business was fearful of being caught in this American slump.



Now, however, hope is developing that the Dominion will come through largely unscathed.

The curves of business in the two countries, which usually run parallel, are going away from each other. The lines, as a glance at the accompanying charts show, have begun to look more like scissors with the points wide open.

A Different Story

The Canadian stock markets followed Wall Street when the first American danger signal was given. But significant barometers of business tell another story.

Canadian advances in industrial output and employment have been continued while in the United States they have turned abruptly downward. It would be too much to expect that opposite trends in countries linked so close commercially could continue indefinitely. Recent reports from widely separated Canadian centres, reports that are ahead of statistics available for indices, point to some slowing down. New orders have not been coming in as freely. People are laggard in their Christmas shopping. Wholesalers are cautious. Here and there, too, are rumors of some curtailment in certain lines of manufacture. But there is nothing remotely comparable to the recession already suffered across the line.

Carloadings here are still well ahead of last year, even with a greatly restricted movement of grain and some falling off in coal and lumber. It is already certain that total freight movement this year (largely in the significant merchandising category) will be the best in the last six years.

It is also certain that the year will witness the highest agricultural revenue, the most manufacturing, the greatest foreign and domestic trade and the heaviest employment in any year since 1929.

Threatened by U. S. Collapse

All this advance was threatened by the collapse in United States, customer for over 40% of Canada's exportable production, holder of the lion's share of foreign investment in this country, largest single supplier of our imports and almost sole contributor of our $300-millon tourist trade.

—Based on indices prepared by The Bank of Nova Scotia.

This connection ties Canadian prosperity to that of United States, but not to the crippling extent of making us suffer equally in any short-term decline.

We have certain assets here that are not vitally involved in every American slump. We have a growing trade with Empire countries, principally Great Britain, and that country is still relatively prosperous. We have other foreign exports as well. Our businessmen are more conservative and refused to commit themselves to anything like the same degree of optimism as was witnessed in United States in the latter half of 1936 and the first two quarters of the current year. We largely escaped the pump-priming orgy of Washington "New Deal" spending and legislation. We had no $1.5 billion soldiers' bonus.

Commodity prices did rise in this country, but not as precipitately as across the line. Moderate advancement in construction and continuing export orders have kept our steel plants operating at capacity, while that industry there (a vital one in the American economic structure) is now operating at less than 30%. Our labor troubles have been relatively insignificant.

In our population, too, there is a difference. Here we are composed more largely of farmers, and this class as a rule ignore the possibilities of easy profits in the stock markets and, in consequence, escape heavy losses.

Returning Hope in U. S.

Now there is returning hope in United States. Commodity prices are believed to have finally reached bottom. Washington is more conciliatory toward business. Labor has sobered. There are bright prospects of a far-reaching trade agreement between United States, Britain and Canada.

In short, the picture has so changed in the last fortnight that cautious American bankers who would not hazard an opinion a week ago are now collectively predicting the end of the present slump within a few months. If they are correct, then this recession south of the border may, like a few others since the turn of the century, go happily down in Canadian history as "The Lost Depression."

Elevator Company Default Embarrasses Collingwood

Collingwood, Ont., defaulted on a portion of its debenture principal and interest payments due Dec. 1, 1937, when Collingwood Terminals, Ltd., failed to meet its regular obligations under a mortgage held by the town. Debenture holders have requested the Ontario Department of Municipal Affairs to investigate the situation, and a report may be issued fairly soon.

The town met all other debenture obligations due Dec. 1, but failed to pay $23,000 principal and $16,350 interest due on the 5% debentures issued by the town and secured by a mortgage on the terminal elevator. Ordinarily, payments of mortgage principal and interest by Collingwood Terminals, Ltd., would exactly cover annual debenture charges.

This year the elevator was empty and closed for seven months. Although reopened in October, a loss has been shown in every month of 1937, and the outlook is uncertain until there is a resumption of more normal crop movements.

The original issue of $774,796 principal amount of debentures for elevator construction had been reduced to $654,000 as at Dec. 31, 1936.

Original financing for Collingwood Terminals was arranged by Willison Neely Corp. through Canadian Terminal System, Ltd. G. P. Campbell, Toronto, purchased control of Collingwood Terminals early in 1934.

MEN'S SHOP

A GIFT!
DECIDEDLY FOR
MASCULINE COMFORT

Dressing Gowns from the
MEN'S SHOP

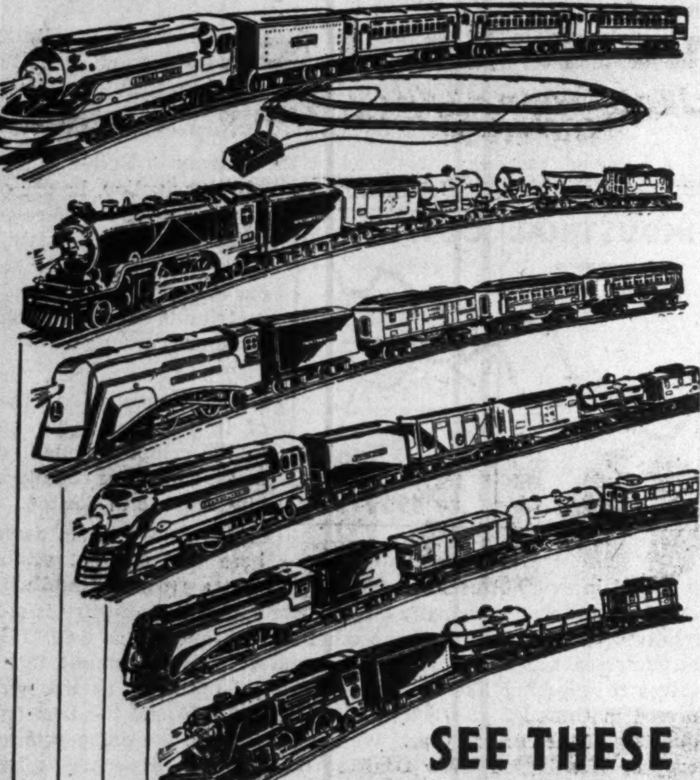
As shown

A.—An English real silk foulard in attractive paisley pattern, blue and wine, $25.00 each.
B.—An English all wool cashmere in new square and dot pattern, green, blue and wine, $25.00 each.
C.—An imported all wool robe in novel zig-zag pattern, blue, maroon and sand, $12.50 each.
Other dressing gowns all wool $8.50 to $35.00 each and real silk $12.50 to $45.00 each.

A Kindred Suggestion—housecoats in all wool $7.50 to $12.50 each and velveteen in wine and black $20.00 each.

Free Parking While Shopping
BAY STREET SECTION

EATON'S–COLLEGE STREET



SEE THESE
and many more
LIONEL Electric Trains
at AIKENHEAD'S

LIONEL NO. 290E FREIGHT TRAIN—Locomotive, streamlined tender, oil tank car, flat car with load of lumber and caboose. With 8 curved and 2 straight sections of track, remote control button. (Transformer extra) $14.95

LIONEL FEATURE VALUE OUTFIT, No. 6207E, includes Vanderbilt Locomotive, streamlined tender and double-truck box car, oil tank car and a caboose. 25 watt, 25 cycle transformer, remote control button and 10 sections of track complete this feature value. $8.95

LIONEL NO. 297E FREIGHT TRAIN, with Bullet Locomotive and streamlined tender, hauling coal car with hopper bottom, box car with sliding doors, oil tank car and caboose. With 12 sections of track and remote control button (Transformer extra). $24.95

LIONEL NO. 233E PASSENGER TRAIN, streamlined locomotive, tender, baggage car and 2 passenger cars. With 12 sections of track and remote control button. (Transformer extra) $18.95

LIONEL NO. 237E FREIGHT TRAIN, equipped with locomotive, coal tender, box car, oil tank car, dump car and caboose. With 12 sections of track, remote control button. (Transformer extra) $23.25

LIONEL NO. 1086E PASSENGER TRAIN, Bullet locomotive, streamlined tender, three double-truck passenger cars, 16 sections of track, pr. remote control switches, remote control button. (With 25 Watt, 25 cycle transformer. $19.75

Transformers

25-CYCLE—25 watt transformer $2.60; 50 watt $3.50; 75 watt $4.75.
60-CYCLE—50 watt transformer $3.50

Extra Track

027 series, straight or curved, for Lionel Outfits No. 1086E and 6207E, length .12½.
0 gauge, straight or curved for all other trains in this advertisement, length .17½.

FREIGHT PREPAID on any Lionel Electric Train to any railroad station in Ontario.

Aikenhead's
AIKENHEAD HARDWARE LIMITED
17 Temperance St., Toronto
BRANCH STORE: 430 EGLINTON WEST (Open Evenings)

The Nation's Business

(Continued from page 1)

tatorially minded Premier Duplessis has threatened that his Government will not "tolerate" alienation of the province's "patrimony."

But because anyone is free to buy, sell and own property does not mean that Canada or the province has lost sovereignty over it. The island would still be part of Canada and subject to the laws and jurisdiction of the country, just as much as if it was under the Meunier régime or as it is now, in the hands of the Consolidated Paper Corp.

The regrettable fact about Anticosti Island is that as yet no economic use of its valuable timber resources has been made.

* * *

Solving Our Railway Problem

FAILURE of the Duff Commission plan to solve our railway problem was re-emphasized by Sir Charles Gordon in his remarks at the 120th annual meeting of the Bank of Montreal this week. President Gordon also attacked the continued utterances of those who express hopeful optimism that all we need to solve our railway problem is increased traffic. Said Sir Charles:

"Continuing losses have made it increasingly evident to thoughtful Canadians that the plan recommended by the Duff Commission has not produced the necessary economies and that effective measures should be taken without delay. Public pronouncements that increased traffic returns are imminent which will enable the publicly-owned system to resume profitable operations will be recognized as a re-echo of public prognostications for many years past which have failed to materialize."

The most hopeful feature of the railway picture at the present time, as Sir Charles pointed out, is:

"The accumulating evidence of a more widespread understanding that a sound solution of the railway problem is required to create confidence in the future of Canada."

There is as yet no evidence of political leadership toward a sound solution of the railway problem. There will probably not be until pressure develops from among the rank and file of Canadian citizens and taxpayers.

May Hold Up Plans For Hydro Contract With Beauharnois

(Continued from page 1)

Ontario Hydro would not purchase any power from Quebec operators, beyond specified amounts from Ottawa Valley Power and Maclaren-Quebec Power, until the Commission had taken all the power held in reserve by Gatineau. At present Gatineau has 120,000 h.p. in reserve.

The company can hold the Commission to this contract. While it would not prevent Hydro from making a new arrangement with Beauharnois, still the latter is not in a position to take the balance of power from Gatineau, as well as an additional block from Beauharnois. This would only set up a surplus of power which would give rise to the cancellation of the original contracts with the four Quebec operators.

Negotiations Still On

Representatives of Beauharnois continue in touch with the Commission, but it is not likely that any agreement will be made until the Gatineau situation is cleared up. Hydro wants to clear up the Beauharnois litigation, but also it wants to avoid having a surplus of power.

There is every reason for believing that eventually Beauharnois will secure a contract from Hydro, but the actual arrangement may be held up for some time unless Gatineau accepts the offer put forward by the Commission. There is a good prospect of this being done in the very near future.

Gatineau Has Problems

Gatineau is confronted with two problems. In the first place it can hold Hydro to its contract and prevent a contract being made with Beauharnois until all the reserve power is taken up, or it can accept the reported extension of the contract.

While additional revenue would be welcomed by Gatineau, still it is not in need of any further income to take care of its debt obligations and pay a dividend on the preferred stock.

Help Refunding Plans

On the other hand the extension of the contract's length of life would help immeasurably in refunding the company's 6% debentures on a favorable basis. At present Gatineau has outstanding over $14 millions of debentures which mature in 1941. Moreover, the company has undertaken to see that these debentures are retired before the maturity date. This was one of the reasons advanced for the recent merger of Canadian Hydro and Gatineau Power.

From a survey of the known factors it would appear to be in the interests of Gatineau to accept an extension of its contract in return for deferring delivery of reserve power and permitting the Commission to make a contract with Beauharnois.

Beauharnois Holds Ace

Beauharnois, on the other hand, holds a strong position in its negotiations with Hydro. The courts have upheld the validity of its cancelled Hydro contract. While the court's ruling is being appealed, prospects are that the Privy Council will uphold judgment of the lower courts.

If Hydro is successful in making a new contract with Beauharnois, the litigation would be dropped. This in itself is a desirable objective. Moreover it has become apparent that in the next few years the Commission will require a much larger supply of Quebec power to take care of its requirements. While the reserve power, held by Gatineau, would take care of needs for some time to come, still the Commission's position would be strengthened if it knew that it had a power supply available for more than just near-term needs.

Hydro's problem is how best this can be done at a minimum of cost. If Gatineau forces the Commission to abide by the contract, the cost would be heavy. If, on the other hand, Gatineau agrees to an extension of contract, Hydro would settle all its power problems at a limited cost.

Bracken Hints Bond Default

Promises Pay-as-you-go If Refunding Proposal Is Accepted

By STAFF WRITER

WINNIPEG.—Winding up Manitoba's presentation to the Royal Commission on Dominion-Provincial Relations, Premier John Bracken bluntly stated that unless recommendations such as made by Manitoba were accepted, then the province would have no other alternative but to default.

This is the first time the premier stated publicly that there was danger of default. Readers of The Financial Post, however, will recall it was indicated last spring that this would be the result if the Dominion Government refused temporary assistance to Manitoba.

Premier Bracken stated that while default would probably be the easiest way out for the province, it would also be the costliest and most unsatisfactory.

No details of the proposed plan for refunding its funded debt have yet been worked out, the premier said, adding that main principles only had been proposed.

Chief Justice Rowell asked if the Government had given any consideration to a way of restricting borrowing in the future.

Premier Bracken replied that if the proposal was accepted the Government did not expect to have to borrow, but would operate on a pay-as-you-go basis. Chief Justice Rowell pointed out, however, that the present Government could not be expected to stay in office indefinitely, and bondholders, before giving consent to such a proposal, would probably desire some assurance that the millions of new debt would not again be incurred.

Commissioner Dafoe suggested that such a refunding scheme would probably involve a certain amount of compulsion, especially since it involves the refunding of non-callable bonds.

There are several possible ways in which the matter might be handled which were not explored. The province has a substantial amount of high-grade securities in its sinking fund, proceeds from the sale of which might be used to grant a premium for the redemption of its bonds.

Again, the Dominion might undertake to assume only high coupon bonds of the province and refund these by granting a premium from the sinking fund of the province.

Investment men here feel that the Manitoba refunding recommendation involves a special assessment on the bondholders. As Dominion taxpayers, they are being asked to assume a greater share of expenditures in Manitoba and at the same time they are being asked to take a cut in interest. One investment dealer suggested to the writer that if Manitoba is to be saved from default in the interest of the Dominion as a whole, and by national action, then the proposed refunding is not justified.

The Government brief states interest rates are too high. The Financial Post understands the average rate of interest on Manitoba's debt is about 4.5%. In view of the level of interest rates prior to 1930, this cannot be regarded as high.

Investor's Index

INDUSTRIALS AND UTILITIES

Allen's Tor Thea.	10	Inter. Paints.	9
Bruck Silk	3	Imp. Tobacco	9
Barker's Bread	15	Jones Bros.	9
Brazilian	4, 5	Loew's London	10
Beatty Bros.	4	Loblaw	4, 9, 13
B. A. Oil	9	Lake St. J. Pr.	1, 8
Bell Telephone	9	Montreal Apts.	8
Brantford Cord.	9	McD. & C. Hldgs.	15
Building Prod.	9	Massey-Harris	4, 13
Coll'wood Term.	1	Mansfield Thea.	10
Can. Malting	9	Marcus Loew's	10
Can. Breweries	9	Munic. Bankers.	16
Canada Bud	16	Montreal Refrig.	9
Confed. Amuse.	10	Montreal Pwr.	9
C. N. R.	16, 18	McCormick's	9
Crow's Nest Coal	18	McColl-Front.	18
Can. Theatres.	10	Nat. Grocers	3
Consol. Theatres	10	Ottawa Traction	5
Can. Foundries	5	Ottawa Electric	5
Consol. Paper	1, 5	Pressed Metals	5
C. P. R.	18	Perfection Pete.	18
Can. Celanese	5	Page-Hersey	4, 9
City Gas & Elec.	15	Peel St. Realties	15
Capital Secs.	15	Russell Motor	5
Dom. Motors	9	Remington-Rand	13
Dryden Paper	16	Steel of Canada	9
Dist.-Seagrams	4, 18	Secur. Holding	9
Dom Foundries	4	Soo Line	5
Dom. Stores	4	St. Lawr. Paper	5
Eastern Theatres	10	Supertest	18
Fleury-Bissell	5	Simon & Sons	4
F. N. Burt	5, 9	Trinity Bldg.	18
Ford of Canada	9	United Amuse.	10
Fanny Farmer	5, 9	Windsor Essex	9
Famous Players	10	Western Steel	4
Gen. Theatre Inv.	10	Walker-G. & W.	1
Goodyear Tire	9	Zeller's	5
Hamilton United	10		

MINES AND OILS

Anglo-Can. Dev.	18	Halliwell	20
Ackerman	18	Kirk.-Gateway	18
Agawa	18	Kirkland Lake	20
Augite Porc.	18	McGillivray Coal	20
Algold	18	Montague	20
Anglo-Huronian.	19	Moffatt-Hall	18
Alexandria	20	Mining Corp.	19
Buffalo Ank.	18	Moneta	18
Bilmac	19	New Golden Rose	20
B. C. Nickel	19	Norgold	18
Bralorne	18	Noranda	18
Chromium	20	Powell Rouyn	18
Commoil	20	Pioneer	18
Cons. Smelters	18	Ronda	19
Clark Gold	20	Siscoe	19
Devon	18	Stadacona	19
Davies Pete.	20	St. Anthony	18
Eldorado	18	Straw L. Beach	18
Foster Cobalt	20	Sigma	18
Goldbanks	18	Tianaga Gold	18
Gurney	18	Thompson Cad.	18
Hallnor	18	Upper Seine	18
Hutchison Lake	18	Ventures	19
Hard Rock	18	Ypres Cad.	18

QUOTATIONS

Bonds	14, 15	Industrials	14
Grain	15	Mines & Oils	14

Foreign Exchange . . . 17

Manitoba Asks Right To Cancel Relief Debt

(Continued from page 1)

provincial debt by capitalizing the subsidy at 3¼% would also reduce the burden of debt and interest charges.

As a result of the debt conversion plan and the proposed contributions of $2.5 millions by the Dominion to certain services, the province would be able to increase operating items by $3 millions. Cancellation of the old-age pension levy, reduction in interest by certain utilities and the increase in current surplus available for reduction in taxation and increased services bring these benefits to over $4 millions.

In addition, it is proposed that the entire cost of unemployment relief should be assumed by the Dominion.

For 1936 the total cost of relief in Manitoba to Dominion, provincial and municipal governments was $11.7 millions. Since the Dominion already pays a part of the cost of relief, the added benefit from this source would be about $6.5 millions plus cost of administration. Thus, on the basis of the 1936-37 budget, aggregate benefits to Manitoba would be in excess of $10 millions.

This amount would, under the proposal, be made up to the extent of $2.4 millions by a reduction in interest on the funded debt and to the extent of $8.4 millions by contributions from the Dominion Government.

Tabulated below are the contributions sought from the Dominion in addition to the entire cost of unemployment relief:

Dominion Contributions

Old age pensions (province's sh.)	$659,631
50% of proposed expenditures for:	
Highways	650,000
Public health	206,686
Technical education	50,000
50% of present expenditures for:	
Hospitalization	266,484
Mental institutions	428,936
Child welfare	265,725
Total	2,529,462

Business Raps Manitoba Stand

(Continued from page 1)

services taken over from the provinces.

In its presentation to the commission the Manitoba Government states that the financial plan of Confederation has not worked and that "to prevent the western provinces and municipalities being forced into default, Canada must provide an alternative plan which will work," or be prepared to face the inevitable consequences of default of these provinces to the business and financial world and to the credit of Canada.

Briefly, the Manitoba proposals involve assumption of $52.8 millions of Manitoba debt through capitalization of its subsidy at 3½%; assumption of $19 millions of relief debt of Manitoba owing to the Dominion; assumption of $7 millions relief debts of municipalities; the entire cost of unemployment relief and old age pensions; and 50% of the expenditure of highway maintenance, public health, technical education, hospitalization, mental institutions and child welfare.

Taking the view that the citizens of Manitoba are entitled to "a national minimum standard of social benefits," the Government in its brief states that it is not able to finance these and suggests reallocation of Dominion-provincial financial relations in order to compensate the province for the natural economic disabilities which affect its citizens and the economic disabilities under which they suffer as a result of certain branches of Dominion Government policy.

Income Redistribution

In brief, Manitoba is asking for a redistribution of income among Canadian provinces. The older provinces are being asked to share their good fortune with the newer and younger provinces.

In making this request, Manitoba claims that it suffers disadvantages from certain federal policies which benefit eastern Canada, such as monetary policy and tariff policy. It also claims that the West contributes materially to the larger corporations and individual incomes of Ontario and Quebec since a large number of companies with their head offices in the latter provinces earn part of their profits in western Canada.

The weakest link in Manitoba's argument is the monetary brief submitted by Dr. A. R. Upgren, of the University of Minnesota. It argues that Canada should have followed the policy of Australia and Argentine and depreciated its currency, thereby enabling the western farmer to compete in foreign markets with these countries. The argument, however, is based on a number of assumptions and in this regard came in for a great deal of criticism from Commissioners Angus and Rowell and for severe cross-examination by Commission Counsel L. St. Laurent.

Cost of Tariff Policy

Dr. H. C. Grant, of the University of Manitoba estimates that the federal tariff policy costs western farmers $29 millions a year. Here again the matter is looked at only from the view of the farmer and as Counsel L. St. Laurent brought out during cross-examination this estimate does not exclude sales tax or that portion of tariff which is for revenue purposes.

In defending the monetary and tariff briefs, Premier John Bracken stated that there could be no question that monetary and tariff policy had been costly to western Canada. He said, however, that the province does not base its case on these presentations, but merely advanced them as contributory factors to a situation which must be remedied.

Manitoba's most convincing argument is that based upon the financial position of the Government, the tax burden and the effect of declining income. Without doubt, Manitoba is not in a position to finance such services as unemployment relief and at the same time the Government has the best record in Canada as regards reducing its expenditures, outlays on some services being reduced below a reasonable minimum.

In suggesting a remedy for its plight the Government follows closely the proposals made by Prof. James A. Maxwell in his book "Federal Subsidies to Provincial Governments in Canada," which was published last spring. Not only does the Government accept his proposal that provincial subsidies should be capitalized in order to abolish unconditional subsidies, but it accepts the principle that the Dominion should be given a degree of control over services to which it contributes a portion of the cost. In other words, Manitoba is willing to accept the proposed 50% contribution to highway maintenance, hospitalization, mental institutions, etc., on a conditional basis. Thus, the Dominion would have some control over these expenditures, since the grants would be conditional upon the province assenting to regulations made by the Dominion.

Plan to End Subsidies

Most students of public finance will agree that the proposal to end conditional subsidies is constructive. The history of subsidies is shameful, but there are difficulties even in connection with the present proposal. The Manitoba brief envisions the capitalization of subsidies as "a final settlement," but restrictive clauses would have to be included in the B.N.A. Act in order to ensure this. The Fathers of Confederation regarded the original subsidy grants as "a final settlement," but nevertheless they have been revised time and time again.

Manitoba proposes that the subsidies should be capitalized at 3¼% and provincial debt equivalent to this capital amount assumed by the Dominion. It is assumed that the Dominion could refund the debt assumed on a 3¼% basis and there would, therefore, be no additional cost to the Dominion. The subsidies are perpetual, but certainly the Dominion could not sell an issue of perpetual bonds on a 3¼% basis. It is quite probable, therefore, that the Dominion would have to pay more than 3¼% in the future, especially if the bond issued for this purpose matured in a period of high interest rates.

Tabulated below is the effect of the subsidy capitalization proposal on all provinces. It will be noted that Prince Edward Island would have a credit of $16.5 millions, which would necessitate some special arrangement.

Provincial Debt As at March 31, 1934

	Debt Credit for Subsidy Cancellation $000's	Balance of Debt $000's
Manitoba	52,800	58,222
Saskatchewan	66,000	75,103
Alberta	54,500	77,643
British Columbia	49,988	63,766
Ontario	90,500	524,474
Quebec	79,800	31,688
New Brunswick	49,000	7,110
Nova Scotia	60,100	8,257
Pr. Edward Island	20,200	16,579
	522,800	829,684

Broad National Approach

Even though Manitoba proposes to hand over to the Dominion only matters which will involve considerable expense, except for succession duties, which is a minor revenue source, it has tackled the problem in a broad national manner and at no place in its brief is the cry of provincial rights raised. Rather, Manitoba thinks that provincial responsibilities have been enlarged beyond what was intended, by judicial interpretation of the B.N.A. Act. In this connection, the province states that it was never intended that the provinces should be responsible for the social service expenditures which we have today, especially in view of the limited tax base. It bluntly states that to enlarge the taxation powers of the province is not a solution but rather that all matters of national importance should be centralized in the hands of the Dominion. If taxation powers were increased then the return to the provinces in greatest need would be the least.

It can be safely predicted that not all provinces will take the same view. Some of them will be jealous of their rights and will desire increased taxation rather than to give up certain fields to the Dominion.

Income and Population

Detailed figures are given in the brief of the income of the people of Manitoba in comparison with the national income and a comparison of the taxable capacities of the various provinces. It is shown that incomes during the depression fell more sharply in Manitoba than in any other province except Saskatchewan. Furthermore, while Manitoba had 6.75% of the population in 1935 it had only 4.4% of the income. Ontario, on the other hand, had 33.07% of the population and 44.74% of the national income.

In discussing the burden of taxation, taxes are shown both on a per capita basis and as a percentage of income. It is stressed, however that since taxes are paid out of income, the most accurate measure of the burden of taxation is the proportion of income collected in taxes.

Tabulated below is the percentage of income collected in provincial and municipal taxes in the various provinces.

Provincial and Municipal Taxes As Percentage of Income

	1926 %	1929 %	1931 %	1933 %
Pr. Edward Is.	1.50	1.91	3.95	4.34
Nova Scotia	4.57	4.74	6.58	8.19
New Brunswick	3.72	4.08	6.19	8.16
Quebec	5.19	4.74	7.84	10.63
Ontario	5.13	5.09	8.36	10.07
Manitoba	6.37	7.97	11.71	14.36
Saskatchewan	6.11	9.33	14.08	14.31
Alberta	3.77	4.78	5.23	7.78
Br. Columbia	4.88	4.96	8.59	10.12
All provinces	5.11	5.28	8.29	10.34
All provinces incl. federal taxes	10.81	11.58	15.10	18.11

Proportion of Income Taxed

It will be noted that in Manitoba, as a result of the great decline in incomes, the percentage of income required for provincial and municipal taxes increased from 6.37 in 1926 to 14.36 in 1933. This percentage was higher than for any other province, although it was exceeded by Saskatchewan from 1928 to 1932. Due to the decline in income the proportion of income required for provincial and municipal taxation in Manitoba in 1933 was almost 40% above the average for all Canadian provinces.

However, if figures for the past two years had been given then the percentage would have been smaller and the picture brighter. Furthermore, Counsel L. St. Laurent pointed out that the rest of the Dominion pays a much higher proportion of Dominion taxes than does Manitoba.

As regards debt, it is pointed out that the per capita debt of all provincial governments increased from $48.22 in 1926 to $103.67 in 1935. In Manitoba the per capita increase from $62.57 to $102.35 was substantially less and the 1935 figure was close to the average for all provinces. It might be pointed out, however, that in 1926 Manitoba had a per capita debt well above the average for Canada and this might explain to some extent the smaller increase in subsequent years.

Shown below is the provincial and municipal debt of all provinces as a percentage of income.

Municipal and Provincial Debt As a Percentage of Income

	1926 %	1929 %	1931 %	1933 %
Prince Ed. Is.	9.45	13.45	33.86	39.14
Nova Scotia	28.75	32.55	50.69	72.81
New Brunswick	30.59	42.34	71.92	97.71
Quebec	25.63	24.20	43.22	66.97
Ontario	25.51	24.45	43.37	58.10
Manitoba	34.70	41.99	72.85	97.81
Saskatchewan	16.38	27.48	86.04	101.89
Alberta	25.39	41.50	60.68	79.93
British Columbia	29.79	31.24	63.01	79.90
All provinces	25.80	27.73	50.04	68.76
Total public debt	71.46	66.76	113.63	155.77

Modern, EXPERIENCED BANKING SERVICE ... the outcome of 120 years of successful banking operation.

A MILLION DEPOSIT ACCOUNTS DENOTE CONFIDENCE

BANK OF MONTREAL
ESTABLISHED 1817
HEAD OFFICE MONTREAL
TOTAL ASSETS IN EXCESS OF $800,000,000

"Cayley, I've Been Hearing Things About You!"

FREE DEMONSTRATION—Write or phone to the Tea Market Expansion Bureau, 159 Bay St., Toronto (or to our offices in Montreal, Winnipeg and Vancouver) and we will gladly arrange to serve a cup of tea at four o'clock for one month to your office or factory staff without cost or obligation to you.

Tea revives you

ANYTIME IS TEA TIME

13-38

THIS GIFT MAKES THE WHOLE YEAR HAPPIER...

Filmo MOVIE CAMERA

A gift one never tires of using . . . that records happy times for reliving . . . a Filmo Movie Camera. A good camera is essential for good movies. Filmo is built with the same precision as the finest Bell & Howell professional equipment that Hollywood demands . . . has a spyglass viewfinder through which the subject is always clear, and *what you see, you get.* It's that simple with Filmo to make wonderful color or black-and-white movies. They cost no more than still pictures because this Filmo uses inexpensive 8 millimeter film. Palm size . . . a little beauty. With fine anastigmatic F 3.5 lens for indoor as well as outdoor movies. $82.50 AS LITTLE AS $17 DOWN

Palm size, Filmo can be carried in a pocket.

Ask for demonstration at your nearest photographic store.

ASSOCIATED SCREEN NEWS LIMITED
5271 Western Avenue - Montreal
Tivoli Theatre Building TORONTO
Empress Hotel VICTORIA

London Calling

by Atticus

PREMIER CHAUTEMPS

LONDON

It is the fortunate lot of "Atticus" to gaze frequently upon the great ones of the earth. Sometimes such contact is inspiring, at others depressing.

Last week I dined in the company of four gallant gentlemen, and when the time comes to live in the pleasant season of reveries I shall recall that evening as one that deserves a special niche in the halls of memory. The names of the four were Brown, Powell, Wilcockson and Mollison. And such is the strange value put on the exploits of one's own age that recital of the names will probably convey to many little more than a general suggestion of aviation. Yet in their own way these four men rank with Columbus, Raleigh and the Cabots. Is that putting it too high? Will history have room only for a passing reference to these pioneers?

Never Done Before

In June, 1919, Lieutenant Arthur Whitten Brown and Captain John Alcock, D.S.C., took off from Newfoundland in the first attempt to cross the Atlantic. Their machine was an ordinary double-engined Vickers-Vimy bomber. Sixteen hours later (a record that held for ten years) they landed in Ireland. It is recalled that when they emerged from the machine Brown's only comment to his partner was: "How's that for a fancy bit of navigating?"

Such was the spirit of the flight. They never regarded themselves as benefactors to science or blazers of a new trail. They believed in flying and it seemed to them that someone had better get on with the job of flying the Atlantic. When asked what the weather was like during the flight, they replied with that epithet which is indelibly associated with Mr. Shaw. As soon as they had left Newfoundland fog closed on them and they groped blindly toward the unknown. Their wireless failed and they had nothing to depend on but their instinct, their courage and the engines. And may I be forgiven for recalling the British nature of all three? It is impossible to retain normal poise when telling this epic story.

The fog was in a bad mood. It would repent, retreat and then enfold them again. They had neither the sun nor the moon to guide them. Their machine was coated with ice caused by frozen sleet, and the speed indicator jammed. For a time they lost all sense of direction and even horizontal sense. At last the white-tipped rollers on the Galway coast told them that they were nearing journey's end. So they landed, having done that which no man had ever done before. They were welcomed with frenzy, knighted by the Government and gradually forgotten. Sir John Alcock was killed a year later. I have no idea where his grave is situated. Not having been a general or a statesman, he has been allowed to sleep in obscurity.

And what of the survivor, Sir Arthur Whitten Brown? He is not cast in heroic mold. He has the appearance and the face of a trusted confidential clerk, competent, serious, thin-featured and thin-bodied, slow of speech with almost an American intonation, unsmiling and desperately shy if the company exceeds more than a half-dozen. You can see his prototype (he is now 51) among the clerks in any lawyer's office. Yet in his heart there was the spirit of grand adventure and in his brain was heritage from the great navigators of the sixteenth century.

• • •

The Successors

It was inevitable that Colonel Lindbergh's flight would inflame the imagination of the world. The performance of the machine in getting across was lost trace of in the sheer immensity of the personal achievement of a man who went alone into the clouds and crossed the Atlantic. Instinctively the world felt that here was a youth who had not so much extended the frontiers of science as the limits of human accomplishment. Like Wagner, he had lessened the space between men and gods. Yet when Lindbergh landed in Paris he said almost at once: "Alcock and Brown showed me the way." And many people had no idea whom he meant.

But now for the harvest of adventure: from the pioneers of the Atlantic crossing to the men who are making of "that old devil sea" a route which will be traversed as regularly as the one from London to Paris. Again I am unable to claim heroic mold for Captain A. S. Wilcockson, the commander of the Caledonia. It is true that he was a cavalry officer at the end of the war, but now in his fortieth year he has the forehead and the general appearance of an operatic tenor—let me hasten to add a tenor to play Rudolfo rather than Tristan. But in spite of these deceptive dualities of appearance Captain Wilcockson is a man who finds his thrills in charts and dials and such devil's toys as science has imposed upon aviation. It is interesting to note, by the way, that when volunteers for the Atlantic service were called for from existing commercial pilots the long period of exhausting tuition carried no pay. Truly we are a quaint people.

Five days before the Caledonia took off, the captain of an outgoing liner came to say good-bye to Wilcockson. "I'll pick you up about five o'clock Thursday evening," said the airman. And on that Thursday at about a quarter past five Wilcockson flew over the ship and exchanged greetings by wireless.

• • •

Younger Men

As we come to the end of this gallant company I confess that there is a touch of heroism about Captain G. J. Powell. He is only thirty and has an almost plump boyish appearance. On every battleship that ever went to sea there was a Powell among the junior officers. Life has a special zest for his type both at sea and ashore. And although he is another scientific prodigy (he was the first to secure the master pilot's certificate for both land and marine aircraft) there is still the whiff of adventure in his nostrils. "I think I prefer travelling above the clouds," he said. "If the sea is in a bad humor you begin to feel after looking at it for a while how small even such a ship as the Cambria is."

As I am indulging in famous sayings today in this column I think young Powell's remark on seeing the coast of Newfoundland on the maiden crossing of the Cambria is worth recording. It consisted of the classic words: "And about time, too!" I had met Powell in Toronto last summer when his seaplane nearly came to grief on Lake Ontario, and it was pleasant to renew acquaintance. Incidentally he also has a soft and unresonant voice. Brown, Wilcockson and Powell are vocally the crooners of the air.

And now I have no space for swarthy, slow-speaking Jim Mollison, who has the temperament of an artist and the tenacity of a tiger. The air still spells romance to him. It means foreign lands and strange places. His plane is like a horse to its rider, a thing of whims and personality. A complex, curious character, but generous to a fault. He listened to the other three like the small boys to Raleigh's sailor.

Thus do I leave this gallant company. In the years ahead, when we sit around the fireside and talk of the far-off days of Baldwin and Lloyd George and the giants of today, I shall become a bore with my question: "Do you remember my friend Brown?" And when their faces show puzzlement I shall say: "He was the first man, you know, to fly the Atlantic."

• • •

The French Premier

To appreciate to the full the character of Monsieur Camille Chautemps, the French Premier, who is visiting London, one must go back to his origin. He was one of five sons of Dr. Emile Chautemps, who lived in the heart of Paris and administered homely wisdom and sound medical advice to his patients without bothering to collect his fees if they did not come willingly. Therefore the sons came in contact with reality at an early age. The suffering of those who were ill and poor and the broad charity of their father created an inevitable trend toward Radicalism without their actually embracing the policies of the Left. So we find his brother, Felix, making an attack upon the French General Staff in 1913 with all the fire of a Zola and earning almost as much contumely. Later, with two brothers, Felix was to give his life on the battlefield.

M. Camille Chautemps has ridden the storm on many occasions. He was Premier when the Stavisky scandal swept France, and such vile and unfounded charges were made against him that he was forced to resign.

M. Chautemps is in the formidable fifties and is ambitious. He believes that he can bring peace to Europe and wishes to go down to posterity as a world statesman as well as a French patriot. In France he is counted among the first three orators—no mean honor in a nation where oratory is as common as conversation in Britain.

Ontario Death Duties

(Continued from page 1)

a way and endowed with such powers as to constitute him a judge. Under that interpretation, it was charged that the province was clearly going beyond its powers and its legislation was ultra vires.

The new Act attempts to clear the commissioner of such a charge and to make him purely a fact-finding agent, a power unquestionably intra vires the province.

After the commissioner has made his recommendation and the treasury department has made its assessment on the estate, the taxpayer then has the right to review the case twice before going to the courts. From here on the machinery is essentially the same as laid down in the income tax acts of the Dominion and the various provinces.

Judicature Change

To block still another loophole of escape, the special session of the Legislature passed an amendment to the Judicature Act. Rather it replaced in that Act a section which was in force from 1926 to 1930. This amendment prevents an enquiry being stalled by way of injunctions mandamus against the treasurer or his agents. It is essentially the same clause as is already provided in the Securities Acts of most of the provinces.

Most of the new sections in the amended Act are merely technical adjustments of wording, making it a neater piece of legislation.

A new regulation regarding safety deposit boxes created much excitement at first, but on closer inspection was found to be rather less worrisome than the former regulation.

The old regulation, imposed by the Henry Government which preceded that of Premier Hepburn, imposed the onus of responsibility for not opening safety deposit boxes in banks, trust companies and other safety deposit box custodians. The new regulation states specifically that safety deposit standing in the name of a deceased person must not be opened without the treasurer's consent.

Procedure in such a case is fairly simple. As soon as treasury officials know that there is nothing concerning the deceased's estate in the box in question, a release can be obtained immediately. In distant points, branch banks are usually agents in this capacity for the treasury department.

Police Work

Control of safety deposit boxes is understood to be an important phase of the treasury department "police work" on estates of deceased. They are now watching with much interest the attentions that New York State and Washington treasury officials are giving to contents of a couple of Ontario safety deposit boxes which were rushed out of that province some time ago. Officers of the Criminal Investigation Department know the exact hour, exact day and the license number of the auto in which they were removed, through what customs port they passed and exactly in what vault in New York State they now lie. From the storm which seems to be brewing over them in their new location, it is feared that these heirs may have jumped from the frying pan into the fire.

Appeal Rights

Under the Succession Duty Act of 1934 the right of appeal in some situations was limited to the appellate division of the Supreme court of Ontario and no further, and then, only in cases where the amount involved was over $10,000.

Not only does the present Act remove some limitations on appeal, permitting the taxpayer to carry his fight to "the foot of the throne," the Privy Council, but to give this privilege in all types of succession duty actions it is understood that further legislation is now being prepared for submission to the next session of the legislature.

Under the old Act, the taxpaper would never be sure how far back the treasury department might go in assessing gifts in certain circumstances. Under the new Act, the gift provisions only apply back to 1892.

Give him a

ROLLS RAZOR

$6.95 AND UP

The Rolls Razor, with its automatically stropped and honed barbers' blade, shaves a man so cleanly, closely and comfortably that he feels face-fresh all day long. A Rolls Razor is the gift he'll most appreciate.

Rolls Shaving Bowl—$1.00
Refills—60c

ROLLS RAZOR

National Grocers Sales Maintained

Plan for Preferred Arrears Expected Within Few Days

Directors of National Grocers Co. are understood to have approved a plan for settling arrears of $26.25 a share on the preferred stock. The plan is now receiving its finishing touches and should be mailed to shareholders toward the end of this week. No official details of the plan are available at time of going to press.

Volume of sales by National Grocers Co. is holding up nicely this year, according to Canadian Grocer. Rural districts and northern Ontario have made the best showing, with the larger centres not making quite as good a showing because of a tendency for some keen price cutting to show itself.

Prices, Inventories Lower

In August of this year prices on many products slanted downward after a year or more of fairly steady rise, but the company, says Canadian Grocer, is not looking for any serious break in prices. Good export trade in some lines of canned goods, particularly tomatoes, salmon and fruits, has helped to maintain price levels in this country.

Retailers have been generally buying on a more hand-to-mouth basis than a year ago. Inventories, which were fairly high last winter, are considerably reduced today.

Broad Lines Trade Pacts Said Settled

Motor and Other Industries Fear Tariff Concessions Included

From Our Own Correspondent

OTTAWA. — The non-committal attitude of Federal authorities toward interests which have evinced a desire to make representations in the matter of the pending Canada-United States-United Kingdom trade shuffle lends color to a prevailing understanding on Parliament Hill that the broad terms of the arrangement are already settled and that "negotiations" which are in progress between the governments concerned are little more than mere formalities.

Views Not Encouraged

Consequently, the understanding in informed Federal circles is that what is to be is already decided, and that nothing effective can be done about it by interests who fear that they may be adversely affected. It is well known that already fruit interests from the Maritimes and from British Columbia have made known their desire to make representations as to their own position. Manufacturing and B. C. lumber interests have done likewise. The Government, however, has not encouraged any group to make known its views.

In theory at least the United States American procedure is different with the Government notifying interests which might be affected and giving them an opportunity to state their views. There is no requirement on the Government's part, however, to act on these views.

Meanwhile, the picture is changing somewhat, so far as the current forecast of the proposals is concerned. The anxiety of the apple growers is tending to become a little allayed by the persistent report that the United States is to share the British preference only on a seasonal basis,

Motor Makers Worried

On the other hand manufacturing interests are becoming more concerned. Recent addresses by prominent motor executives, in which it was claimed that car prices in Canada were lower in relation to costs than in United States, are interpreted in some quarters as indicating fear of further tariff cuts. Any concessions to United States automobile manufacturers, of course, might be offset by freer entry for Canadian cars into Australia.

The latter country this week announces abandonment of its licensing import scheme. This should pave the way for U.S.-Australian negotiations. Unfortunately, however, no change is contemplated for the present in import quotas for motor chassis, one of the principal items in the Commonwealth's trade with Canada.

The Canadian rubber industry is also anxious about any tariff changes and more recently manufacturers of silk stockings who are doing a considerable export business with Britain and even France.

Bruck Silk Mills Shows Profits Up

Bruck Silk Mills Ltd. statement for the year ended Oct. 31 last shows net profit of $17,169 equal to 13.7 cents per share, compared with $2,475, or two cents a share for the previous year.

Following two disbursements of 10 cents per share on Jan. 15 and April 15, dividends were discontinued owing to unsatisfactory operating conditions in the previous fiscal year and in the early part of the present year.

Working capital increased to $731,454 as at Oct. 31, 1937, from $701,065 at the end of the previous year. Inventories were approximately $127,000 higher at $594,449, due to wider diversification and also to slower demand for dress fabrics toward the end of the fiscal year. Current liabilities include a bank loan of $100,000 this year.

Income and Surplus Account
Years Ended Oct. 31

	1937 $	1936 $
Gross trading profit	329,953	301,894
Other income	469	622
Total income	330,422	302,516
Less: Selling & adm. ex.	*164,131	175,883
Directors' fees	1,200	1,100
Legal expense	931	1,511
Bond interest	28,386	28,919
Bond disc. amortized	......	917
Res. for taxes	4,729	1,397
Depreciation†	93,876	90,314
Net profit	17,169	2,475
Less: Dividends	25,000	100,000
Deficit	7,831	97,525
Add: Previous surplus	475,724	576,867
Less: Adjustment	290	3,618
Balance forward	467,603	475,724

*Including executive officers' salaries of $21,850.

†Comprising $82,050 on plant, machinery and equipment; $9,984 on buildings, $1,756 on furniture and fixtures, and $85 on automobile in 1937; corresponding amounts in 1936 were $79,148, $9,528, $1,638, and no allowance respectively.

Working Capital

	1937 $	1936 $
Current assets	866,259	743,460
Current liabilities	134,805	42,395
Net working capital	731,454	701,065

Transfer Agent and Registrar

Experienced, Obliging Services

Enquiries Invited

Crown Trust Company

Executors :: Trustees :: Financial Agents

WILLIAM L. GEAR, President
JOHN JENKINS, Vice-President IRVING P. REXFORD, Gen. Mgr.

393 ST. JAMES STREET WEST - - MONTREAL
80 KING STREET WEST - - - - TORONTO

Dunlop's Limited
Choice Flowers
Since 1880

Say Merry Christmas with FLOWERS

Flowers telegraphed to all parts of the world

8-10 Adelaide Street West
TORONTO
Telephones — AD. 7404
Night—HO. 3274

If you have Gifts to make
Michie's offer these appropriate suggestions

To,—a man, Cigars or Cigarettes, in suitable wrappings priced competitively, delivered when you wish.

a lady, Superior English Chocolates, from Terry, Cadbury, and others, in handsome Gift Boxes, from,—$2.00 to $10.00.

a kiddie, A Santa Stocking full of toys, a gift of sheer delight, from $1.00 to $5.00, or a box of wholesome and delicious candies, from 75c.

a family, A. The family of a business friend.
A Michie de-luxe Basket or Hamper of fruit and table delicacies, than which there is no more graceful and acceptable gift from—$5.00 to $25.00.

B. The family in lesser circumstances.
A Michie Basket or Hamper of seasonably selected contents for Christmas.

Michie & Co. Ltd.
for their 103rd Christmas at 7 King St. West
TORONTO

See and drive the
1938 OLDSMOBILE

THE BIG NEW CAR THAT HAS Everything★

Illustrated Oldsmobile "6" Sedan with trunk

★ AHEAD IN Style

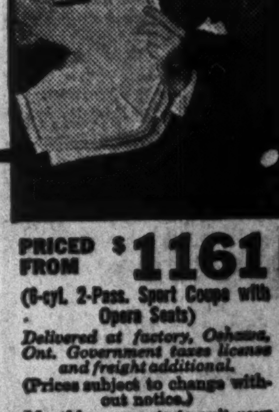
One glance will tell you that Oldsmobile is the Style Leader for 1938. Note the dashing distinction of the original front end—the dynamic streamlining of the entire body. Here is the smartest car on the road.

★ AHEAD IN Comfort

Oldsmobile offers you: Knee-Action Wheels for a smooth, gliding ride...Dual Ride Stabilizers, to prevent sideway on curves and turns . . . Roomy, luxurious interiors . . . Adjustable front seats . . . Weather-Sealed Doors . . . and Fisher No-Draft Ventilation.

★ AHEAD IN Safety

With its Unisteel Turret Top Body by Fisher, Oldsmobile ensures new safety. Super-Hydraulic Brakes ensure smooth, lightning-fast stops. Multi-Beam Headlights make night driving safer. And Center-Control Steering helps you hold a true course on any road.

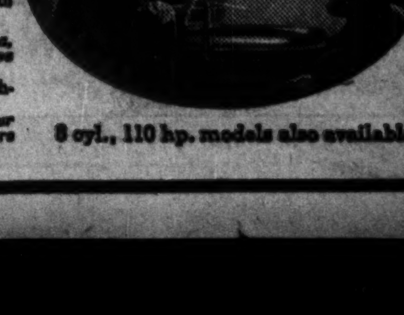


★ AHEAD IN Value

Oldsmobile provides every new and proved feature. It's quality-built throughout—assurance of low maintenance costs. Plan now to see and drive the new 95 Horsepower Oldsmobile Six.

See the 1938 Oldsmobile Models on Display
at Your Nearest Dealer's Showrooms

PRICED FROM $1161
(6-cyl. 2-Pass. Sport Coupe with Opera Seats)
Delivered at factory, Oshawa, Ont. Government taxes license and freight additional.
(Prices subject to change without notice.)
Monthly payments to suit your purse on the General Motors Instalment Plan.



8 cyl., 110 hp. models also available.

Investment Trends

Line Formation Shows Modest Market Strength

Opinions Advanced That U. S. Industry Working Into Improved Position—Drop in Flour Helps Bakeries

Development of modest strength in stock markets confirms the immediate price trend as one of irregular movement within a narrow range, close to the lowest price levels of the year.

Two weeks ago, renewal of weakness threatened to carry market averages in New York sufficiently below their previous bottom levels as to suggest still lower prices. While sufficient support developed to turn prices upward slightly, the month-to-month trend is regarded as downward until there are clear indications of a reversal.

Sentiment among stock brokers varies between the belief that any business recession at present will prove temporary, and the most pessimistic predictions of collapse and depression. Due to the tendency for the more sombre opinions to be related directly to the levels of stock prices, they may prove no more correct than the optimistic views expressed early this year.

Purchases of Canadian senior gold shares are reported to come mainly from New York, which means that Canadians are sellers.

Low Price Range

The approximate limits of the trading range in which stock market averages have been moving for several weeks are as follows:

Approximate Limits Recent Price Range

Index:	High	Low
Montreal industrials	75.1	64.7
Toronto industrials	129.3	115.3
N.Y. industrials (Dow-Jones)	138.5	113.6
N.Y. rails (Dow-Jones) ...	35.3	29.2

The lower limits approximate closely the year's bottom levels of stock prices. The upper limits, however, are far from the year's highs, which were: 122.2 for the Montreal index, 187.7 for the Toronto average and 194.4 and 62.3 respectively for the New York figures.

The averages show how the "line formation" of price fluctuations is running only a little above the lowest levels of the year. In recent price movements there have been only feeble signs of strength. The most buoyant market has been Montreal, judged by the averages. It is not often, however, that Canadian share markets give the lead to New York, and the eyes of the investor who is hoping for a turn in the downward trend should therefore focus most sharply on Wall Street.

* * *

Recovery Hopes

Accompanying the decline of stock prices, the debate continues about whether another world depression is coming.

The belief that economic recovery has proceeded to its widest limits, on the basis of internal trade alone, has become common in Great Britain. Forecasts of stagnation or recession in business are based on that belief, to a large extent. British hopes of better conditions are therefore based largely on expansion of trade between nations rather than on domestic business.

The Royal Bank of Canada in its November letter points out that in the past two years the benefits of rising income have been reflected in greater international trade and that talk of self-sufficiency has given way to renewed recognition of the desirability of foreign markets. The pessimistic view that international trade is not reviving as it should is denied by the bank's letter which comments:

"The change in volume of international trade has largely escaped notice because it has taken place at a time when international political difficulties have held the centre of the stage. If the trend of world trade, as indicated by the recent movement of goods through the Suez, is maintained, of itself this will constitute a basis for optimism concerning the political and economic outlook."

Apart from the growth of international trade, there is ground for the contention that even the domestic recovery has not been completed on this continent. Certainly it has not gone as far as the British home recovery.

* * *

"Foreign" Lending to Canada

The 4½% debenture stock issue of Hiram Walker & Sons (Scotland), which was recently sold in the London market, is "interesting as an indirect example of 'foreign' lending," according to the London Times.

Canada, adds the British paper, has been looked on as being as much a foreign as an Empire borrower by those responsible for the protection of the sterling exchange. This stand is taken on the ground that Canada was a substantial debtor in the United States and in some respects more closely allied with the American than the British markets.

* * *

Correcting Maladjustment

An American advisory service comments on the present stock market situation as follows: "Stock prices are regarded as ruling below values. While it is not certain that the recession in such prices has yet attained its extreme points, it is nevertheless probable that a base is being made between now and the year end for an appreciable recovery in prices in 1938. In this connection Henry Ford's statement, in an interview this week, is of interest: 'No one,' he said, 'need look at next year with any uncertainty. The present slow-down is not a setback; it's a pause before another climb'."

The rapid drop in industrial production, in combination with a fairly substantial level of retail sales, is serving to reduce inventories and thus to correct the largest single internal maladjustment with which United States business has had to deal this year.

* * *

Baking Concerns

Bakery companies are receiving some encouragement from the recent decline in flour prices. No. 1 patent Manitoba flour is selling in Montreal at about $7.70 a barrel, compared with a high price of $8.80 for 1937, reached in July. This is still 40 cents above the year's low, however, and considerably above quotations of last year.

How important this reduction in flour prices will be to bakeries will depend on continuation of the trend, as such fluctuations are not uncommon. It is calculated that approximately 185 standard 1½-pound loaves can be made from a barrel of flour. A change of $1 in the price of flour means slightly more than one-half cent for each loaf, the flour content of which usually costs between three and four and one-half cents.

Competition in the baking industry continues keen, although no worse than last year. Somewhat higher labor costs have been largely absorbed in better prices.

Cake and biscuit makers do not stand to obtain so much help, as flour is relatively less important. These companies have larger shortening, sugar and delivery expenses, which must be watched even more closely than the cost of flour.

Bonuses Given By Page-Hersey

Employees, Shareholders to Share Equally in Extras

Page-Hersey Tubes, Ltd., has declared a dividend of $1 plus a bonus of 25 cents a share on its common stock payable Jan. 3, 1937, to shareholders of record Dec. 15, 1937.

Directors have also decided to pay a Christmas bonus to employees, equal to the extra dividend being given to shareholders. This will entail a distribution of approximately $43,000.

Sales and earnings for the first 11 months of the current year have shown a satisfactory increase over the corresponding period of 1936, and the company's inventory position is stated to be normal.

Dominion Stores Sales Lower During November

A decrease of $50,828 in sales is reported by Dominion Stores Ltd. for the four weeks ended Nov. 27, 1937, compared with the corresponding period of 1936. At the end of the period 473 stores were in operation, 13 fewer than a year previous.

For the 12 periods reported so far this year, sales were higher by $82,369 than those reported last year. Comparative sales figures follow:

Monthly Sales
(Subject to final adjustment)

Four week period ended:	1937 $	1936 $	Incr. %
Jan. 23	1,456,927	1,413,478	3.14
Feb. 20	1,474,990	1,452,088	1.58
Mar. 20	1,544,860	1,513,367	2.08
Apr. 17	1,547,273	1,510,892	2.41
May 15	1,515,533	1,517,152	*0.11
June 12	1,503,839	1,463,362	2.77
July 10	1,500,204	1,511,060	*0.72
Aug. 7	1,452,736	1,484,725	*2.15
Sept. 4	1,399,045	1,467,763	*4.68
Oct. 2	1,519,101	1,487,037	2.16
Oct. 30	1,498,566	1,459,935	2.65
Nov. 27	1,445,081	1,495,909	*3.40
	17,859,157	17,776,788	0.46

*Decrease.

Johnston and Ward Opens Quebec Branch

From Our Own Correspondent

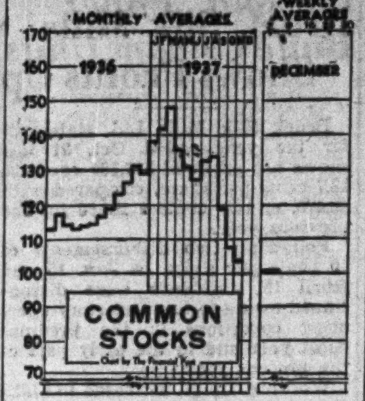
MONTREAL.—Johnston & Ward, members of the Montreal Stock Exchange and Montreal Curb Market, have opened a branch office at 105 Mountain Hill, Quebec, under the management of Cortland A. Fages. G. Mott Williams also will be associated with the branch.

INVESTMENT SECURITIES

NESBITT, THOMSON & COMPANY, LIMITED

355 St. James Street West, Montreal

Branches in the principal cities of Canada



Western Steel Sales Improve

Fiscal Year Changed to Dec. 31 — New Securities Ready

Sales of Western Steel Products Corp. for the 11 months ended Dec. 31, 1937, will show a substantial improvement over last year and for the first time since the receivership the company is operating on a profitable basis.

Fiscal year has been changed to Dec. 31 and final figures for the latest 11 month period will not be available until some time after the beginning of 1938.

Estimated Earnings

Although no official details of profits for the year are available, it is possible to supplement the company's statement that sales have shown improvement. The balance sheet as at Jan. 31, 1937, after giving effect to the reorganization since carried out, shows no surplus account and total assets of $3.2 millions. By Oct. 31, 1937, a surplus of $234,868 had been built up and total assets increased to $3.8 millions, a gain of $600,000 in assets.

Much of the increase in assets has taken place in receivables which are up $307,227 and inventories which are $327,699 higher, probably the result of greater volume of business handled. These increases in current assets are partly balanced by $300,000 higher bank loans and the surplus account.

The company's receivership was ended Nov. 1, 1937, and a balance sheet as at Oct. 31, 1937, giving effect to the exchange of securities under the reorganization plan, shows total current assets of $1.5 million and current liabilities of $871,485 leaving working capital at $606,628. Land, buildings, machinery and equipment, less depreciation, are shown at $2.2 millions while investments are $15,898.

Among current liabilities is included a bank loan of $600,000. First mortgage 5% 20-year sinking fund bonds amount to $700,000. There is a contingent reserve of $500,000 while surplus amounts to $234,868. Capital, represented by 118,223 no par value common shares, is carried at $1,450,000.

New Securities Ready

New securities of Western Steel Products Corp. are now ready for exchange for old stocks and bonds. The exchange is being handled by the National Trust Co., Winnipeg. The plan was adopted at a meeting on May 31, 1937. Basis of exchange is as follows:

(1) Prereceivership creditors are to receive 1½ shares of common stock for each $100 of claims.

(2) Holders of first mortgage bonds will receive five shares of common stock for each $100 of principal amount.

(3) Holders of preference shares will receive one share of common for each preference now held.

(4) Holders of the common stock will receive one share of new common for each 80 shares now held.

Position of various groups when the security exchange is completed will be as follows:

	Share No.	Equity %
Present bondholders ..	102,925	87.0
Prereceiver, credit ...	3,058	2.7
Preference shareholders	11,000	9.3
Common shareholders .	1,250	1.0
	118,233	100.0

Loblaw Sales, Profits Register Further Gains

For the four-week period ended Nov. 13, sales of Loblaw Groceterias Co. were $228,094 higher than in the corresponding period of 1936, while profits increased by $2,256.

Sales for the six periods completed since the beginning of the fiscal year increased by $1.28 millions, while profits are $19,526 higher.

Comparative figures for sales and profits follow:

Sales and Profits
Four Weeks Period Ended

Nov. 13:	1937 $	1936 $	Incr. %
Sales	1,681,004	1,452,910	15.70
Profits	70,405	68,149	3.31
Six Periods Ended: Nov. 13:			
Sales	9,269,514	7,984,368	16.10
Profits	371,318	351,793	5.55

How to Profit from the Figures — 4

Valuing Company Holdings

Close Scrutiny of Firm Investments May Be Possible

This is the fourth in a series of articles. The fifth article, dealing with book values of stocks and bonds, will appear next week.

Besides investments in plants and machinery, many companies have important holdings of securities. The assets of investment trust firms and of holding companies, of course, consist almost entirely of securities. But industrial companies also are frequently large investors. In reading statements of company finances, therefore, the investor must consider the value, purpose and significance of investments in securities to reach a close approximation of the underlying strength of the enterprise.

A vital point for tthe reader of the financial statement is that a company's investments are usually shown as assets at cost or "book value." That method of valuation may be more conservative than the actual value. But it is often substantially above the real value.

When securities are marketable, it is necessary under the Dominion Companies Act for the real value as well as the cost or book value to be shown. Other company laws lack this important provision, however, and in cases where there is no real market value the figure for investments in the balance sheet may be questionable.

The separation of investments from other assets and the requirement that investment income must be shown separately under the present Dominion law provide valuable clues for the investor to appraise the real value of a company's investments.

Classifying Investments

Corporation investments in securities may be segregated mainly in these categories:

1. Prime government bonds, either long or short term.
2. Bonds or shares of other companies.
3. Investments in, or loans to, subsidiary companies.

Investments of a company in government bonds may be lumped with investments in corporation bonds. And it is only rarely that an industrial company shows whether its government bonds are long or short term issues. Generally speaking, however, well-managed companies take pride in holding the most liquid types of securities, and some of them therefore use much descriptions in the balance sheet as, "Bonds of the Dominion of Canada and provincial governments," or "Dominion, provincial and municipal bonds." Such listings help the investor to put a reasonably accurate value on the investments.

Apart from showing market value of saleable securities, Dominion law requires a company to show separately at book value the amount of other investments. This means that very often the shares of subsidiary companies are shown at book value and separate examination should be made to approximate the true value of holdings in subsidiaries.

Short-term government bonds form the most widely suitable type of investment for industrial companies. They provide an interest income and can be sold readily when funds may be needed in the business. While longer term bonds yield a higher rate of interest under present conditions, they are not always as saleable as short-term issues.

Investments and Capital

A facttor for consideration in this matter of company investments in government bonds in comparison with the company's own capital. If a company has bonds of its own outstanding, it might be better off to use its invested funds to redeem its own debt rather than receive a lower interest rate on its holdings than it pays on its debt. It may be convenient, however, for a company to hold saleable bonds that yield a low rate, even at a net loss of interest, if there is in sight some definite need for money for capital expenditures.

Besides furnishing a convenient way for a company to hold funds in anticipation of capital expenditures, short-term government bonds provide an effective method of employing money at interest in seasonal periods of inactive business. It may be that a company which shows holdings of government bonds among its assets at the end of its year actually uses the money at other seasons in financing commercial operations.

This is a further indication of the value of short-term bonds. If a company buys bonds only to hold them for short periods, it is important that it should restrict itself to purchases of short-term issues which don't fluctuate widely in price. Otherwise the company would become a speculator rather than a conservative business investor; because, after all the purpose of an industrial company is to operate its own business rather than an investment business.

When it comes to investing in bonds and shares of other enterprises, a company takes on some of the aspects of an investment trust in addition to its functions in its own business. One example is McIntyre Porcupine Mines which receives most of its income from gold mining operations but which also has large holdings in coal properties, government bonds and in shares of International Nickel Co. Another is Ogilvie Flour Mills Co. which shows in its balance sheet over $4.6 millions of various types of investments including shares of bakeries apart from its business properties. Canada and Dominion Sugar Co. is a heavy holder of government bonds. Maple Leaf Milling Co. has large holdings in bakery firms, notably Canada Bread Co.

Generally speaking, it is improper to treat holdings of securities other than liquid bonds as part of a company's working capital. In particular, investments in securities of subsidiary companies or affiliate firms cannot be regarded as "saleable" even if there is an active market for them. One of the main reasons for this is that such holdings in subsidiaries often represent more than mere investments. A subsidiary or affiliate firm may constitute a major market for the parent company's product; as in the case of the bakery shares held by milling companies. In such circumstances, it might be impractical to sell control of the affiliate firm.

It should be apparent to every reader of financial statements that investments in securities of subsidiary companies require close scrutiny. Often such investments are shown far above the real value. Sometimes they are shown far below the true worth as in the case of holdings of Imperial Oil in International Petroleum and of the latter in its subsidiaries.

It is better, of course, for such investments to be understated than exaggerated in the balance sheet value. And it is usually wise to consider the status of the individual subsidiaries, as far as it can be ascertained, before deciding on the merit in that item frequently appearing in balance sheets as "investments in, and advances to, subsidiary companies."

If reasonably accurate calculations of the value of such investments cannot be made because of lack of adequate information, and if such investments bulk large in the balance sheet, it is well for the investor to be wary.

Hiram Walker Plans Expansion in Britain To Meet New Market

(Continued from page 1)

Walker-Gooderham & Worts based a decision to embark on a long-term programme of building up inventories of Scotch whiskies in Britain.

Large Assets in Britain

As at Aug. 1, 1937, assets of Hiram Walker & Sons (Scotland) Ltd., giving effect to the transfer of assets from subsidiaries now being wound up, were as follows:

Hiram Walker & Sons (Scotland)
Summary of Assets as at Aug. 31, 1937

	1937 £
Fixed assets at cost less deprec.	76,776
Current assets	145,607
Stock on hand	1,739,259
Total assets	1,961,642
Less: Current liabilities	1,038,157
Net assets	923,485
Add: Sale of £1 million 4½% stk.	948,750
Total net assets	*1,872,235

*Approximately $9.3 millions.

Completion of the new Dumbarton distillery will give the company total annual distillation capacity of 32.5 million Imperial proof gallons, of which 22 million Imperial proof gallons is provided by the Peoria plant. Storage capacity is somewhat in excess of annual distilling capacity.

Heavy Over-subscription

In November, Lazard Brothers & Co. offered £1 million of 4½% debenture stock of Hiram Walker & Sons (Scotland) at 98½. Total subscriptions received for this offering, the first offering of industrial debentures by a Canadian company in the British market in several years, amounted to over £7 millions. Estimated net proceeds to the company for this loan are given as £948,750. Lazard Brothers & Co. paid 95.2 for the issue, payable 21.7% on Dec. 2, 1937, 30% on Feb. 25, 1938, and 43.5% on March 25.

A brief description of the new debentures follows:

Hiram Walker & Sons (Scotland) Ltd.
4½ Guaranteed Debenture Stock

Authorized — £2,000,000; to be issued — £1,000,000.

Dated—Nov. 15, 1937; due May 15, 1953.

Interest—Payable semi-annually (May 15 and Nov. 15) in sterling.

Redeemable — On not less than three months' notice, in whole or in part, at 103 up to and including May 15, 1943; thereafter to and including May 15, 1948, at 102; thereafter at par.

Sinking fund—A cumulative sinking fund, calculated to redeem the whole of the issue by maturity, to begin May 15, 1941; debentures to be redeemed by purchase or drawing at or under par.

Security—Unconditionally guaranteed as to both principal and interest by Hiram Walker-Gooderham & Worts Ltd.; additionally secured by a trust deed creating a first fixed and specific charge on the company's properties and ranking pari passu with the 4¼ convertible debenture, due 1945, issued by the parent company and its United States subsidiaries.

Purpose of issue—Proceeds to be used to repay bank loans obtained in Great Britain.

Bank Loans Still Needed

Hiram Walker-Gooderham & Worts and its subsidiaries will probably have to resort to bank loans for a portion of their capital for some time to come. At Aug. 31, 1937, the consolidated balance sheet showed bank loans of $11 millions, which included the loans in Great Britain now to be paid. At the same time cash totalled $5.1 millions while accounts receivable of $6 millions were considerably greater than accounts payable and tax reserves.

The position may be summarized as follows:

	$
Bank loans at Aug. 31	11,000,000
Less: Repaid by Oct. 31	2,000,000
Proceeds of British loan	4,700,000
Balance of loans	4,300,000
Cash on hand Aug. 31	5,100,000

The September dividend payment required about $477,000. The Dec. 15, 1937, dividend has been raised to $1 a share on the common, requiring approximately $840,000 for both common and preferred. From this it becomes evident, however, that bank loans, if the present scale of earnings continues, should not be a heavy burden on the company.

U. S. Programme

The current building programme will be completed by the end of 1938 in the United States. The contract has recently been let for the steel to build warehouse No. 10 at Peoria. The latest warehouse will be the largest unit of the 10, having a storage capacity of 120,000 barrels and bringing total storage capacity to 846,000 barrels.

In Canada the company is concentrating its industrial alcohol production in Toronto plant of Gooderham & Worts, leaving the Walkerville plant to be used as required for production of potable spirits. It is understood that activity in the important industrial alcohol branch has shown a good improvement in the past year.

So long as the United States remains the company's greatest source of revenue, and there is little prospect of this changing for some time, conditions in the liquor trade in that country are of primary importance. Huge whisky stocks and the fear of an ultimate collapse in the price structure remain important considerations. Whisky production in the United States for the 1937 fiscal year totalled about 223 million gallons, approximately equal to that of the preceding year. Stocks of whisky reached an all-time high of 450 million gallons at Sept. 30, 1937, but only nine million gallons of this will reach an age of four years by Jan. 1, 1938.

For the first three months of the current fiscal year production has declined about 60% from the corresponding period a year earlier.

Some Lower Prices Expected

It is predicted in the trade that consumption will reach 100 million gallons in 1938. This would still be 10% lower on a volume basis and 50% lower on a per capita basis than pre-prohibition averages. Lower prices and narrower profit margins can be expected in some lines but no serious breakdown of price structures appears likely.

At present a price war between retailers in New York City is undoubtedly costing the whole industry substantial amounts. Considerable importance must be placed on the outcome of efforts of distillers to enforce legal restrictions on price cutting by retailers.

Hiram Walker-Gooderham & Worts had sales of $64 millions in the year ended Aug. 1, 1937, against $54.7 millions in the previous year. This meant a gain of 17% in the latest fiscal period and 20% in the preceding year. It is indicated that the first quarter of the current fiscal period will show an encouraging growth. Preliminary figures will probably be available at the time of the annual meeting on Dec. 10. At present there appears little reason to believe that the company will not be able to maintain its position, although it is hardly to be expected that the rate of growth shown in the past four years can be continued.

Province of Quebec
3¼% Bonds, due June 1st, 1952
Denominations: $1,000 and $500.
Price: 98.29 and interest, yielding 3.40%

Not only has the Province of Quebec important manufacturing industries and extensive commercial activities, but also a wealth of natural resources on which these industries are based.

Descriptive circular forwarded upon request.

Wood, Gundy & Company Limited
36 King Street West, Toronto
TELEPHONE: ELGIN 4321

Investment Notes

Brazilian Traction — Commenting on the probable effect of latest developments in Brazil of foreign companies operating there, including Brazilian Traction, the Stock Exchange Gazette feels that the dropping of the "official" exchange rate for the milreis, leaving only the "free" exchange, should be of benefit provided it is possible to make remittances. If the new coffee policy results in higher exports, as is expected, business in Brazil should benefit.

* * *

Massey-Harris — The company is expected to show a net profit for the first time since 1929, in the fiscal year ending Nov. 30, 1937. Sales for the six months ended May 31 were 50% greater than for the corresponding period of 1936, but this rate of increase did not continue for the entire fiscal year although still showing a satisfactory level.

* * *

Distillers Seagram—Samuel Bronfman, president, receives $50,000 annual salary, according to a report submitted to the S. E. C. W. B. Cleland, vice-president of Joseph E. Seagram and Sons, a subsidiary, receives $30,000.

* * *

Beatty Bros.—Annual report for the year ended Aug. 31, 1937 is expected in about two weeks and will show a good increase in both sales and profits. Last year the company earned 42 cents a share on its common stock.

* * *

Simon and Sons — Sales of the company, so far this year, are reported to compare favorably with the like period of 1936. Demand for cigars has kept up and it is possible the company may show better earnings this year than in 1936 when 33 cents a share was reported on the common stock.

* * *

Dominion Foundries & Steel—Production for 1937 is estimated at $10 millions by the company in furnishing information to the Toronto Stock Exchange in connection with the listing of its stock on the exchange. Total output for the past three years is given as follows: 1936, $4.4 millions; 1935, $3.3 millions; 1934, $2.2 millions. This indicates the scale of the improvement in the company's operations this year which has resulted in net profits for eight months of $484,900 against $311,320 in 1936, the year giving the previous high level for earnings The company has sold 23,513 common shares this year for $15 a share, bringing shares outstanding to $119,513.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.6	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	85.1	94.0	64.1	136.2
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
June	148.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
July	148.0	40.5	102.0	222.6	79.7	182.1	136.1	188.7	88.0	90.2	63.9	133.0
Aug.	151.2	40.4	95.2	223.6	79.5	182.0	136.9	192.7	90.4	89.9	65.2	135.2
Sept.	122.8	29.3	89.1	205.3	73.3	167.9	118.3	159.4	78.6	84.9	57.4	118.9
Oct.	104.3	22.5	69.9	192.0	68.0	154.1	105.6	132.5	70.7	81.4	51.7	105.8
Weekly Figures, 1937:												
Nov. 4 ...	109.5	23.0	78.2	196.5	69.1	158.0	114.2	138.3	72.9	80.4	52.9	108.0
Nov. 11 ...	105.7	21.1	78.3	192.9	68.9	155.7	118.2	131.8	71.0	80.0	51.6	104.8
Nov. 18 ...	107.3	21.2	77.6	195.8	68.1	155.6	118.6	131.1	66.6	78.9	49.4	104.5
Nov. 25 ...	100.8	18.9	81.3	189.7	66.5	151.2	110.0	124.0	63.8	78.3	47.7	99.0
Dec. 2 ...	104.1	20.1	81.7	190.0	66.0	151.5	113.3	128.4	64.2	78.4	48.4	101.4

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Dec. 7	122.89	118.91	120.40
Dec. 6	123.19	119.71	119.16
Dec. 4	122.62	118.73	117.02
Dec. 3	122.55	118.02	116.33
Dec. 2	121.17	117.77	113.70
Dec. 1	121.30	116.62	113.91
Month ago ..	124.72	119.85	110.46
Year ago ...	154.47	144.28	175.43
High, 1937 ..	187.67	168.59	215.36
Low, 1937 ...	110.63	96.27	97.01

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd
Dec. 7	66.4	75.4	72.4
Dec. 6	66.0	75.2	72.2
Dec. 4	65.3	75.7	72.3
Dec. 3	65.7	75.1	72.0
Dec. 2	65.6	74.5	71.5
Dec. 1	65.7	74.4	71.5
Month ago ..	68.6	74.8	72.7
Year ago ...	77.6	98.4	91.4
High, 1937 ...	92.5	122.3	109.5
Low, 1937	63.8	61.4	62.3

DIVIDEND NOTICES

SUN LIFE ASSURANCE COMPANY OF CANADA

Head Office : Montreal

STOCK TRANSFER DEPARTMENT

Notice is hereby given that the Stock Transfer books of the Company will be closed from the 17th to the 31st of December, both dates inclusive, for the preparation of the dividend to become due and payable on the 1st day of January, 1938, to shareholders of record at the close of business on December 16th, 1937.

By Order of the Board,

H. W. K. HALE,
Secretary.

Canadian Breweries Limited

Dividend Notice

Notice is hereby given that a dividend of fifty cents (50c.) per share on the Cumulative Sinking Fund Convertible Preference Shares of the company has been declared payable on the 15th day of January, 1938 to shareholders of record at the close of business on the 31st day of December, 1937.

By Order of the Board.
W. C. Butler
Secretary.

Toronto, Ontario,
Dec. 6th, 1937.

DIVIDEND NOTICES

THE B. GREENING WIRE COMPANY, LIMITED

Common Dividend No. 1

NOTICE IS HEREBY GIVEN that at a meeting of the Directors of The B. Greening Wire Company Limited held in the office of the Company November 29th, 1937, a dividend of Fifteen Cents per share on the Common Shares of the Company was declared payable January 3rd, 1938, to shareholders of record December 15th, 1937.

F. J. MAW,
Secretary.

Hamilton, Ont., November 30, 1937.

CENTRAL PATRICIA GOLD MINES, Limited

(No Personal Liability)

NOTICE

Interim Dividend No. 6

Notice is hereby given that an interim dividend of 4 cents a share on the issued capital stock of the company has been declared, payable on the third day of January, 1938, to the shareholders of record at the close of business on the fifteenth day of December, 1937. By order of the Board.

ALAN COCKERAM,
Sec.-Treas.

Dated at Toronto,
December 3, 1937.

Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending December 31st, 1937, payable January 3rd, 1938, to shareholders of record at the close of business December 15th, 1937.

By Order of the Board.

E. W. McNEILL,
Secretary.

Dated at Toronto,
November 18th, 1937.

DIVIDEND NOTICES

The Canadian Light and Power Company

NOTICE is hereby given that a dividend of one-half of one per cent. (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending December 31st, 1937, payable January 15th, 1938, to shareholders of record December 24th, 1937.

BY ORDER OF THE BOARD
James Wilson
Secretary.

Montreal, December 6, 1937.

Brazilian Traction, Light and Power Company, Limited

NOTICE IS HEREBY GIVEN that the Board of Directors of this Company has declared a dividend of 50 cents per share on the Company's issued Ordinary Shares of no par value, payable on 25th January, 1938, to shareholders of record on the registers at the close of business on the 22nd December, 1937. Payment of this dividend to non-residents of Canada will be subject to deduction of the Canadian Income Tax of 5 per cent.

DATED at Toronto, Canada, the 6th day of December, 1937.

By Order of the Board,
A. W. ADAMS,
Secretary.

NOTE: The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada. The Company's London Agents are Canadian and General Finance Company, Limited, 3 London Wall Buildings, London E.C. 2, England.

United Securities Limited

NOTICE is hereby given that a dividend of fifty (50c.) cents per share has been declared on the outstanding common shares of the Company for the quarter ending December 31st, 1937, payable January 15th, 1938, to shareholders of record December 24th, 1937.

BY ORDER OF THE BOARD
James Wilson
Secretary-Treasurer.

Montreal. December 6, 1937.

DIVIDEND NOTICES

SECURITIES HOLDING CORPORATION Limited

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Sixty-five Cents per hare has been declared upon the preferred shares of the Company, payable January 3rd, 1938, to shareholders of record at the close of business on the 22nd day of December, 1937.

By order of the Board.

F. T. LARGE,
Secretary.

Toronto, December 2nd, 1937.

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

PROVINCE OF QUEBEC
3 1-4% Sinking Fund Bonds
(Non-callable)
Dated December 1, 1937
Maturing June 1, 1952
Full particulars on request.
Price: 98.29 and accrued interest
To Yield: About 3.40%

HANSON BROS, INCORPORATED
Established 1883.
255 St. James St. W.
MONTREAL
Ottawa Toronto

Talcott factoring gives a new impulse to your working capital — and to your profits. With ready cash, and without credit or collection worries, your concentrated effort can be applied to production and sales.

We provide cash immediately as goods are shipped . . . We guarantee against credit losses . . . We make advances against seasonal accumulation of merchandise.

Write For Our Booklet "MODERN FACTORING"

JAMES TALCOTT OF CANADA LIMITED
Factors
1470 PEEL STREET MONTREAL, P.Q.

GATINEAU POWER

With dividend covered three times 5% preferred stock has interesting investment possibilities. Analysis on request.

Ask for Analysis P11.

Greenshields & Co

Members Montreal Stock Exchange Montreal Curb Market

507 Place d'Armes, Montreal

TORONTO OTTAWA QUEBEC SHERBROOKE

118

THROUGH SLEEPING CAR TORONTO TO WEST PALM BEACH AND MIAMI, FLORIDA,

is scheduled to leave Toronto on Wednesday, December 15th, at 6.00 P.M. This sleeper will be attached to the Seaboard Air Line Railway's famous "Orange Blossom" at Washington, D.C. For further particulars, kindly communicate with H. E. Heal, Pennsylvania Railroad, 69 Yonge St., Toronto, ELGIN 7229.

DO YOU MAKE MONEY ON YOUR MARKET OPERATIONS?

Would not your position in the market tend to improve if you had for your use each week, an intelligent "size up" of the previous week's market activities, with lucid comment on possible market trends, and unprejudiced guidance as to when to buy, when to sell, and at what point to protect yourself in specific Gold, Oil, and Base Metal stocks?

THE MARKET DIGEST

issues this information and comment to its subscribers in its weekly bulletins, and supplements it, on request, with additional information and advice. The experienced market technicians on the Market Digest staff, and their extensive recording, charting and analyzing of market activities, current and past, are available to you.

For details, write, phone, wire or see us personally.

STOCK MARKET DIGEST LIMITED

200 Bay St. (Phone AD. 3443-4) Toronto

to All EUROPE

Weekly Sailings Direct to IRELAND, ENGLAND, FRANCE, GERMANY

on America's largest, fastest liners

Washington · Dec. 14

February 9, March 9

Manhattan · Jan. 4

January 27, February 23

Cabin, $186 up; Tourist, $127 up; Third, $95 up

A sailing every Wednesday at noon alternating with the more informal vessels

President Roosevelt — Dec. 22, Jan. 19

President Harding — Feb. 2, Mar. 2

Cabin Class, $141 up—Third, $91 up

Also "American One Class" ships every Friday direct to London, only $105 up.

Two Special Winter Cruises

11-DAY Cruise to Nassau, Havana, Kingston on the VIRGINIA, Jan. 5 . . . $140 up.

10-DAY Cruise to Nassau, Kingston, Havana on the WASHINGTON, Jan. 28 . . . $130 up.

Ask your travel agent for details or

United States Lines

19 King St. E. - EL. 9116

Book Early and Avoid Disappointment

CORPORATE INVESTORS — LIMITED —

The answer to your present investment problem.

General Distributors

City & Dominion Co., Ltd.

19 Melinda Street

TORONTO

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

Diesel Wanted

WANTED SMALL DIESEL MARINE Engine. Beauchene Club, Beauchene, Que.

Capital Wanted

WANTED, $15,000 AT SIX PER CENT. First mortgage security on property worth over $100,000 out of city. Box No. 11, The Financial Post, Toronto.

Bond Markets

Bank Bond Holdings Take Sharp Decline

November Total of Bond Financing Largest in Five Years — Need For Bank Support of Market Lessens

Statement of the Canadian chartered banks as at Oct. 31, 1937, shows a larger than usual drop in holdings of long-term government securities. Compared with the end of September, this item of the total assets is down $50.8 millions, although still $29.9 millions above a year earlier.

This exceptionally large drop in holdings of long-term government securities is partly compensated by an increase of $25.1 millions in short-terms held.

Exact meaning of this change in investment holdings is not easy to determine. It probably has something to do with the drop of $10.5 millions in loans reported at the same time. Bank accounting policies provide that bonds having a maturity of two years or over are included as long-term securities while under two years they are classed as short term. Two Dominion loans arrived at a maturity of less than two years in October and a part of the increase in bank holdings of short-term bonds may be due to a transfer from one classification to another of the portions of these two loans held by the banks.

Supply and Demand

A radical change seems to have taken place in the supply and demand factors affecting the bond market today in contrast to the "easy money" intervention so powerful in the last few years, according to A. E. Ames & Co. Improving business conditions and attendant rising revenues have so bettered the positions of leading borrowers in Canada that aggregate demands for new capital are the smallest in many years. The Bank of Canada estimated that amount of new capital issues was only $39.4 millions in the first nine months of 1937 compared with $255.3 millions in the same period of 1936.

Canada has reached a point where banking assistance is less significant in assuring the absorption of bond issues than in recent years. The Canadian banking system has stood as an invaluable source of strength behind the Canadian governments in their efforts to meet the financial demands of the depression. Now there is greater evidence of a diversified demand for the smaller amount of bond issues offered. Artificial support for the Canadian bond market is seen by this writer as becoming much less necessary. Little evidence is seen of a threat to the price levels for Canadian high-grade bonds.

• • •

Activity Improves

November proved the best month for some time in volume of new bond financing. Aggregate government and municipal financing, excluding treasury bills, is estimated by Wood, Gundy & Co. at $160 millions higher than for the corresponding month in any of the preceding five years. Of the new bond issues sold, all of which were offered in Canada, 85.51% was for refunding purposes. In November last year only $2.3 million was offered.

If Dominion treasury bills are left out, total government and municipal bond financing to the end of November has been $534.8 millions in 1937 compared with $529.3 millions in the same period of 1936. Corporation bond financing, however, makes a much less favorable comparison. The 11-month total for 1937 has been $125.4 millions against $218.7 millions. Corporations have raised $47.3 millions of new capital this year against $13 millions.

• • •

Australian Conversions

Strength of the market in Great Britain for high-grade securities has permitted the Commonwealth of Australia to offer a conversion loan in that market. The latest offer was to holders of £11.4 millions of 3½% registered stock and debentures, due 1937 to 1938, to be converted into 3½% registered stocks, due 1951-54, at 97. The new Australian loan was offered for both cash subscriptions and conversion.

Yield on this Australian conversion loan is considerably higher than the 3.34% obtained by the Dominion of Canada on its recent 14-year 1937 refunding loan.

Australia has converted £222¼ millions to a lower interest basis since 1932, at a substantial saving in interest charges. The latest conversion issue will be the last of any size before 1940 when substantial issues are optionally callable. British comment on the latest Australian loan indicates that while the British investor regards Australia as fundamentally a "one commodity" country, it is felt that Australia is better prepared, thanks to six years careful budgeting and political stability, to meet the consequences of any moderate fall in wool prices which may occur.

• • •

Bond Index

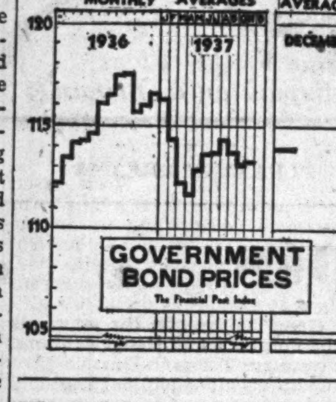
Actual movement of high-grade government bonds is shown by the index which follows:

Average Price and Yield for Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Dec. 7	114.01	3.213	Dec. 7	116.36	3.083
Dec. 6	113.98	3.217	Dec. 5	116.32	3.085
Dec. 4	114.00	3.207	Dec. 4	116.32	3.085
Dec. 3	114.00	3.207	Dec. 3	116.29	3.092
Dec. 2	114.01	3.214	Dec. 2	116.29	3.092
Dec. 1	113.80	3.230	Dec. 1	116.41	3.076
Year's	116.32	3.206	Year's	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597

Bond Tenders

12 noon, Dec. 9, Toronto—$2,438,000, 2¼% 5-year serial installment debentures, dated Dec. 1, 1937, maturing 1938-42; $650,000 3½% Toronto Harbor Commissioners' debentures, dated Mar. 1, 1937, maturing Sept. 1, 1947. W. D. Robbins, mayor.



Zeller's Stock Put on Market

Variety Chain Store Raising Capital to Cover Expansion

From Our Own Correspondent

MONTREAL. — An offering of capital stock of Zeller's Ltd., operators of a chain of variety stores in Manitoba, Ontario, Quebec, and New Brunswick, is being made by Greenshields & Co., Montreal. The offering consists of 8,300 6% cumulative preferred shares, par value $25 each, and 25,000 no par value common stock, in units of one share of preferred and three shares of common stock at $50 per unit.

Zeller's was incorporated in 1932 to acquire the stores then operated by the Canadian subsidiary of Schulte-United Inc. which was in bankruptcy. Of the 13 stores, two have been disposed of and ten new stores have been added during the last four years. Each of the 21 stores is being operated at a profit.

Need More Capital

The present financing is for the purpose of giving the company additional working capital and to provide for payment of approximately $75,000 on account of the purchase of 60% of the ordinary of New Universal Stores Ltd., of London, England. The latter will acquire and operate 12 stores situated in various parts of Great Britain and the management operating the organization will be provided by Zeller's. The majority of the ordinary shares will be owned by Zeller's.

Particulars of the issue follow:

ZELLER'S LTD.
8,300 shares ($25 par value)
6% Cum. Redeem. Pref. Stock
25,000 shares (no par value)
Common Stock

Capital:	Authorized	Outstanding
6% s. f. debs.	$250,000	$107,500
6% preferred	1,000,000	750,000
Common shares	150,000 shs.	125,000 shs.

Business — Operates chain of variety stores in eastern Canada.

Earnings—Net profits available for dividends, after all charges, including income and profit taxes, amounted to $146,351 for year ended Jan. 31, 1937; $79,980 in the 1936 fiscal year.

Assets—As at June 30, 1937, net tangible assets, after giving effect to this financing and after deduction of all senior liabilities, amount to $1,594,670 or $53.15 a share on the preferred stock, and $6.75 a share on the common stock. On the same basis current assets totalled $947,660 against current liabilities of $393,253.

Purchase reserve — 10% of net profits starting with year ending Jan. 31, 1938, is applicable annually to sinking fund requirements and the retirement of the outstanding debenture stock. Upon retirement of debenture stock, the reserve is to be appropriated to a preferred stock purchase reserve, to be utilized in the purchase on the open market and retirement of preferred stock at call price of 110% or less.

Offered—By Greenshields and Co. in units of one share preferred and two shares of common at $50 per unit.

Pressed Metals Postpones Exercise of Share Rights

Pressed Metals of America, Inc., has extended the date for exercise of rights by shareholders although keeping the price at $20 a share for new stock. Rights will now expire on March 1, 1938, and are to be given to shareholders of record Jan. 25. Payments can be made on March 1 of one third on that date, one third on May 2 and the balance July 1. Basis of exercise of rights remains at one new share for each eight shares now held.

Sales of the company are reported at $318,103 in November. This brings sales for 11 months in 1937 to $3.8 millions compared with $2.2 millions in the same period of 1936.

Canadian Celanese Fixes Date for "Rights" Interest

From Our Own Correspondent

MONTREAL.—Directors of Canadian Celanese Ltd. have fixed March 15 next as the date on which payment of interest in respect to 1937 will be made to holders of income funding rights of record at the close of business Dec. 31, 1937.

St. Law. Paper Closing Down Mill

From Our Own Correspondent

MONTREAL. — St. Lawrence Paper Mills' newsprint plant at Three Rivers will be closed down from Dec. 23 to the end of the year.

This ten-day close-down will permit of necessary work on the machines and at the same time, contribute to the general plan of the industry to reduce the visible supply of newsprint on the North American Continent to levels more in line with current requirements.

Brazilian Pays 50c Dividend

Future Fund Withdrawals May Depend Largely on Exports Drive

Payment of the 50-cent-a-share dividend on the common of Brazilian Traction Light, Heat and Power Co., Jan. 25 to shareholders of record Dec. 22 will be made from proceeds of withdrawals from Brazil made for the most part before the November political coup, The Financial Post is informed.

Withdrawal of such funds is virtually limited at present to sums accumulated prior to 1933 as provided in the Rothschild agreement of that year. This agreement remains in effect until June, 1939.

The Vargas decrees limit export of capital aside from this agreement to that necessary for imports to the country so that the only other method of withdrawing funds from the country is by purchase of bills of exchange. These of course will continue to be scarce until Brazil's export business has been built up through present efforts to regain its share of the world's coffee market.

While Brazilian Traction has cash balances on deposit outside Brazil to supplement future exports under the Rothschild agreement, the amount available for future dividends on common is unknown.

Russell Motor Declares Bonus

Company Makes Offer of $110 a Share to Preferred Holders

Russell Motor Car Co. is offering shareholders $110 a share, plus accrued dividends for 2,400 shares of 7% preferred stock. If this offer is accepted by shareholders it will result in redeeming one fifth of the 12,000 shares now outstanding. Holders will have to Jan. 31 to accept this offer and payment for stock offered will be made on March 1, 1938.

This stock cannot be redeemed at the company's option but in 1936 shareholders accepted a by-law making the stock redeemable at the option of shareholders if and when an offer is made by the company.

Bonus Declared

A bonus of $1 a share has been declared on the common stock payable Dec. 31, 1937, to shareholders of record Dec. 14, along with the regular quarterly dividend of $1.25 a share.

The action of the board in declaring an extra dividend and offering to redeem preferred stock at a cost of $264,000, is taken to indicate that operations in 1937 have been on a substantially better scale than in 1936.

Burt Co. Reduces Common Dividend

Protects Cash Position — New Line Well Received

F. N. Burt Co. has reduced its current quarterly common dividend from 50 cents to 30 cents, payable Jan. 3, 1938, to shareholders of record Dec. 10. For several years the company has paid part of its dividend out of surplus, net profits having been slightly less than the amount required for the purpose. Cash position is still strong, but this year the development of new business in the folding box line has required a substantial investment, and the dividend action has been taken as a precaution.

The company reports that the new line has met with very good sales response, and is quite satisfied with results so far. General business has been good, although sales have been lower in recent weeks. It is probable that net profits will be slightly lower for the year than in 1936.

Canada Foundries Resumes Dividends on "A" Stock

From Our Own Correspondent

MONTREAL.—Canada Foundries and Forgings has resumed payments on the class A stock, with a declaration of a dividend of $1, payable Jan. 5, to shareholders of record September 22. The last dividend, amounting to 37½ cents a share, was paid on July 15, 1931.

Last year the company showed earnings of $1.04 a share on the class A stock. The statement for 1937 is expected to show a further improvement, probably between $3.50 and $4 a share.

To the end of September last, sales showed an increase of 55% over the same period in 1936 and net profits, after all deductions, except income taxes, showed an even greater percentage increase.

Toronto Funds Costs of Relief

Tenders Also Called on Harbor Commission Refunding

The City of Toronto has called for tenders on an issue of $2,438,000 2¼% 5-year serial debentures and $650,000 Toronto Harbor Commissioners' 3½% 10-year straight term debentures, which are guaranteed unconditionally as to principal and interest by the city.

The new Toronto issue is for direct unemployment relief purposes. Of the total amount, $1,507,450 is intended to cover the balance of 1936 expenditures, and $930,550 is on account of 1937 expenditures to the end of September. Average maturity is approximately three years, and the issue calls for five annual payments of slightly over $520,000 each, covering interest and principal installments. Date of issue is Dec. 1. A similar issue in May, 1936, was sold at 100.413 for an average cost basis of 2.43%.

Gross funded debt, as at Nov. 30, 1937, including the present issue, consists of $43.5 millions of sinking fund bonds and $125.7 millions of serial installment bonds. Included in this are specially-rated and revenue producing debts, such as the Transportation Commission, Hydro-Electric Commission and waterworks, which less sinking fund accumulation amounts to $72.7 millions. Net general and education debt after deducting sinking fund of $28 millions is $68.6 millions. The city is stated to have fixed assets in excess of this debt, in addition to the taxing power on an assessment of $974.2 millions.

The Harbor Commissioners' issue is designated as series "B," due Sept. 1, 1947, and is refunding part of the balance of 4½% debentures which were called for redemption in March, 1937. Approximately $100,000 additional series "B" bonds will be issued when the remaining portion of the old debentures has been presented for payment.

It is estimated that conversion to date will result in a saving of $2,141,000 over the period 1937 to 1953. Total outstanding debt of the Commission is $24,731,000.

Consold. Paper Builds Steam Units

From Our Own Correspondent

MONTREAL.—Consolidated Paper Corp. is spending approximately $800,000 for the installation of steam generating plants at the Belgo mill, at Shawinigan Falls, and the Cap de la Madeleine mill at Three Rivers.

This step was made necessary by the fact that Shawinigan Water & Power Co., which heretofore has been supplying off-peak power for the electric boilers, now needs all the power it produces for firm power commitments.

Ottawa Traction Plan Approved

Shareholders to Receive 8 Ottawa Electric Shares for 5 Shares Held

From Our Own Correspondent

MONTREAL. — Shareholders of Ottawa Traction Co. approved a plan this week, whereby the corporation's shareholders surrender their shares and receive in return shares of the Ottawa Electric Railway Co.

The plan was presented with a view to effecting substantial economies by a virtual elimination of the parent company, whose only function was to hold stock of the Ottawa Electric Railway Co.

Under the plan, for every eight shares of Ottawa Traction surrendered, there will be distributed five shares of Ottawa Electric Railway. Fractional shares will be represented by script.

Application will be made for listing the new shares on the Montreal Stock Exchange.

Etobicoke Twp. Settles Bond Principal Defaults

Refinancing plan for Etobicoke Township, Ont., has been given final approval and it is expected the default situation will be cleared up by the end of the year.

The township defaulted on all principal payments commencing June 1, 1933, but has paid interest in full. Under a refinancing plan a new issue of $600,000 25-year 4½% debentures, callable at par, will be offered for sale.

Dividend Payments in 1937 Set New All-time Record

An all-time high record of dividend payments has been reached in 1937 by Canadian companies, as predicted by The Financial Post in October, with an estimated total of $328.8 millions. This is 67.9 millions more than in 1936, and $44.2 millions over the previous record of $284.6 millions recorded in 1930.

The yearly total has risen steadily since 1933, when $134.7 millions were paid, subsequent annual totals reaching $185.8 millions in 1934, and $213 millions in 1935.

Each Month Gains

Payments in December, 1937, were $13 millions above those for the same month in 1936, and completed a year in which every month showed a gain over that of the previous year. Dividend payments compared with last year follow:

Canadian Dividends

	1937 $	1936 $
January	22,442,635	16,032,664
February	5,722,623	4,311,291
March	21,500,656	19,176,291
April	20,917,443	16,161,634
May	6,847,152	3,332,394
June	76,642,169	61,642,169
July	31,212,047	23,408,231
August	4,584,939	3,580,447
September	19,226,197	14,610,378
October	19,489,503	16,018,636
November	9,045,612	4,680,088
December	91,176,038	78,000,150
Total	328,807,014	260,954,373

16 Extras in December

Sixteen companies are paying extra dividends in December, including Andian National $1; Canada Malting, 50 cents; Consolidated Smelters, $1.50; Electrolux, 30 cents; Hollinger, 5 cents; Imperial Oil, 37½ cents; International Nickel, 25 cents; International Pete, 50 cents; Lake Shore, $1; Loblaw Groceterias, 12½ cents; Louisiana Land, 10 cents; McKinley Mines, 2½ cents; Royalite Oil, 25 cents; Siscoe Gold, 1 cent; Fanny Farmer, 50 cents; and Russell Motor, $1.

An initial payment of 3 cents is being made by Gunnar Gold, and International Paper and Power is making the first payment on its new 5% first preferred stock, consisting of a regular $1.25 quarterly dividend, and a similar amount on arrears. Seven other companies are also reducing arrears, including Aluminium Ltd., $20, in full of arrears; Canada Wire & Cable, $6.75; Consolidated Sand & Gravel Ltd., $7; this being the first since November, 1932; Dominion-Anglo Investments, $1.25; International Paints Ltd., 25 cents; Lake of the Woods Milling, $7; and Marcus Loew's Theatres Ltd., $1.75.

Interim payments are being made by Chas. Gurd & Co., 30 cents; Placer Development Co., 60 cents; Power Corporation, 30 cents; and Ymir Yankee Girl Gold, 3 cents.

Return to Dividend Group

Eight companies are resuming payments. Bathurst Power & Paper is distributing 25 cents on the A stock, the first payment since 1929. Calgary & Edmonton Corp. is paying 5 cents, the last previous payment having been for the same amount in May, 1935; David et Frère, Ltd., 25 cents, first since 1931; Foundation Co., 25 cents, first since March, 1934; MacKinnon Steel, $1.75 on its preferred, first payment since February, 1933.

Summary of December Payments

	1937 $	1936 $
Dividends	91,176,638	78,000,150
Bond interest	35,619,000	34,025,000
Total	126,795,638	112,025,150

Dividend Payments

Company:	Rate $	Date	Amount $
Anglo-Can. Tel., A	.17½	1	60,121
Aluminium, pf.	1.50q	1	187,569
Do., arrears	20	1	2,500,920
Andian National	1s	1	2,550,000
Do., extra	1	1	2,550,000
Bathurst Paper, A	.25	20	100,000
Bk. of Montreal	2q	1	720,000
Bk. of Toronto	2.50q	1	150,000
Bk. Can. Nationale	2q	1	140,000
Biltmore Hats, pfd.	1.75q	15	3,667
Bright, T. G.	.07½q	15	7,500
Do., pref.	1.50q	15	11,733
Bulolo Gold	1.50	10	1,500,000
Calgary & Edmonton	.05	15	120,755
Canada Bud	.40s	15	60,000
Can. & Dom. Sugar	.37½q	1	187,500
Canada Cement, pf.	1.25	20	251,096
Canada Malting	.37½q	15	74,614
Do., extra	.50	15	99,486
Canada Vinegars	.30q	1	27,600
Can. W. & Cable, pf.	‡6.75	1	194,878
Can. W. Nat. Gas, c.	[illegible]	15	80,000
Can. Bk. of Commerce	2q	1	600,000
Can. Int. Inv. Tr., pf.	1.25	1	20,812
Celanese of A., part. pf.	3.50s	31	518,626
Coniaurum Mines	.05	30	136,522
Cons. Div. Std. Sec., pf.	.37½	15	13,283
Cons. Smelters	.50s	31	1,631,600
Do., extra	1.50	31	4,894,800
Cons. Sand, pfd.	‡7	15	64,008
Corr. Pap. Box, pf.	1.75q	1	12,792
Crow's N. Coal	$1.50	28	93,189
David & Frere, A	.25	15	5,750
Distillers-Seag., c.	.50	21	871,322
Dom. & Ang. Inv., pf.	1.25q	1	16,875
Do., arrears	1.25	1	16,875
Dom. Foundries, pf.	1.50q	1	18,000
Dom. Scot. Invest., pf.	.50	1	24,568
Electrolux	.40q	15	495,000
Do., extra	.30	15	371,250
Eng. Electric, A	.62½q	1	22,618
Falconbridge N.	.07½q	30	250,313
Famous Players	.60	15	238,514
Ford Motor, A, B.	.25q	18	414,740
Foundation Co.	.25	15	42,300
Gunnar Gold	*.03	15	79,623
Gurd, Chas., c.	†.30	15	18,000
Ham. Un. Theat., pf.	1.50q	31	11,818
Hinde & Dauch	.25q	21	74,983
Hollinger Cons.	.05	2	246,000
Do., extra	.05	2	246,000
Hudson Bay M.	1	10	2,757,973
Imperial Oil	.25s	1	6,741,289
Do., exta	.37½	1	10,111,903
Imperial Tob., ord.	.10q	31	945,103
Int. Coal & Coke	.02	15	60,000
Int. City Baking	1	10	21,145
Inter. Mining	.45	24	180,024
Inter. Nickel, c.	.50q	31	7,292,013
Do., extra	.25	31	3,646,006
Inter. Paper, pref.	2.50	10	2,402,112
Int. Pap. & Pr., pf.	*1.25	10	1,148,067
Do., arrears	1.25	10	1,148,067
Inter. Paints, pfd.	1a	21	42,000
Do., arrears	.25	21	10,500
Inter. Petroleum	.75s	1	10,743,066
Do., extra	.50	1	7,162,044
Do., pref.	.75s	1	150,000
Do., extra	.50	1	100,000
Lake of Woods Mill., pf.	1.75q	1	26,250
Do., arrears	7	1	105,000
Lake Shore Mines	1q	15	2,000,000
Do., extra	1	15	2,000,000
Lava Cap M.	.05	23	75,000
Laura Secord	.75q	1	43,075
Little Long Lac	.10	20	183,300
Loblaw Groc., A, B.	.25q	1	207,089
Do., extra	.12½	1	103,544
Louisiana Land	.10q	15	300,000
Do., extra	.10	15	300,000
McGillivray C. Coal	.02	15	53,659
MacKinnon Steel, pf.	1.75	15	8,312
Marcus Loew's, pf.	‡1.75	15	11,442
McColl-Front., c.	.10q	15	66,000
McK. Red Lake	.05	15	145,000
McIntyre Porc.	.50q	1	399,000
McKinley Mines	.02½s	1	28,095
Do., extra	.02½	1	28,095
Melchers Dist., pf.	.30	31	37,500
Montreal Cottons	.50q	15	15,000
Do., pref.	1.75q	15	52,500
Montreal Loan	.50q	15	12,000
Mtl. Refrig., pf.	1.25	31	23,578
Noranda Mines	†1.50	23	3,359,658
N. Method Ldry., pf.	1.62½q	1	4,063
N. S. Light & Pr., pf.	1.50q	1	30,000
Ogilvie Flour, pf.	1.75q	1	35,000
Ont. Silknit, pf.	1.75q	15	17,500
Pickle Crow	.10q	31	300,000
Placer Develop.	†.60	15	438,000
Power Corp., c.	†.30	21	133,879
Pressed Metals	.50q	15	62,144
Provincial Bank	1.50q	1	60,000
Regent Knit., pfd.	.40q	1	6,400
Reliance Grain, pf.	1.62½q	15	32,500
Reinhardt Brew.	.15s	15	26,573
Rolland Pap., pf.	1.50q	1	22,500
Royal Bank	2q	1	700,000
Royalite Oil	.50s	15	348,773
Do., extra	.25	15	174,386
Sec. Can. Int. Inv., pf.	.10q	1	15,000
Siscoe Gold	.05q	15	232,400
Do., extra	.01	15	46,486
Stuart, D. A., pf.	.20q	1	9,000
Sylvanite Gold	.05q	31	164,975
Toronto Elevators, pf.	.65q	1	19,500
Union Gas	.20	15	141,239
United Fuel, pf.	1	15	90,000
Vulcan Oils	.05	20	19,494
Walker-G. & W.	1	15	722,172
Do., pref.	.25q	15	115,204
West Koot. Pr., pf.	1.75q	31	8,750
Ymir Y. Girl	.01	1	22,250
			91,176,638

*Initial. †Interim. ‡Arrears. q—Quarterly. s—Semi-annually. a—Annually.

Bond Interest Due in December

	1937 $
Corporation	11,067,000
Municipal	7,303,000
Provincial	6,098,000
Dominion	11,151,000
Total	35,619,000

Fanny Farmer Dividends This Year $1.75 Per Share

Fanny Farmer Candy Shops, Inc. has declared an extra dividend of 50 cents along with its regular quarterly payment of 25 cents, payable Dec. 23 to shareholders of record Dec. 15.

As an extra 25 cents was paid in October, total distribution for the year will be $1.75 per share compared with 87½ cents a share last year.

Direct Private Wire Facilities to

New York Montreal Winnipeg Calgary Vancouver

J. R. Timmins & Co.

MEMBERS:
NEW YORK STOCK EXCHANGE
TORONTO STOCK EXCHANGE

NEW YORK 61 Broadway — TORONTO 347 Bay Street Tel. *ADel. 8132 — MONTREAL Royal Bank Bldg.

Soo Line Net Deficit Shows Gain in October

From Our Own Correspondent

MONTREAL.—October statement of Minneapolis, St. Paul & S. S. Marie Railway, subsidiary of the Canadian Pacific, shows a net deficit of $357,202, compared with a deficit of $255,980 for October of 1936. Total revenue was somewhat lower, standing at $1,458,092, compared with $1,476,918 for October of last year. Expenses went up in this period from $1,063,526 to $1,094,466.

As a result of October operations, total deficit for the 10 months ending October amounted to $4,349,833, compared with a deficit of $4,613,147 for the corresponding period of 1936.

October report of Wisconsin Central, subsidiary of the Soo Line, showed a net deficit of $147,611, compared with a credit of $47,539 in 1936.

Fleury-Bissell Elects Additional Directors

Two new directors were added to the board of Fleury-Bissell, Ltd., at its first meeting since approval of the amalgamation of T. E. Bissell Co. and J. Fleury's Sons Ltd. H. W. Fleury, one of the new directors, was formerly in charge of the business of J. Fleury's Sons Ltd. The other new director, Lloyd Bissell, has been with T. E. Bissell Co. since 1918. Mr. Bissell was recently appointed general sales manager of the new company.

Exchange of the new securities is expected in about two weeks, while arrangements are being made to list the stock on the Toronto Stock Exchange.

Bond Sales

Summerland, B.C.

District of Summerland has sold $80,000 of 4½%, 25-year serial bonds to A. E. Ames & Co. at an undisclosed price.

• • •

Guelph, Ont.

The city has sold $20,000 of 3%, 5-installment, bonds to A. E. Ames & Co. at 100.50, a cost basis of 2.8257%.

• • •

Halton County, Ont.

The county has sold $12,000 of 3% five installment debentures to Harris, MacKeen, Goss & Co., Toronto, at 100.52, a cost basis of about 2.80%. Proceeds of the issue will be used for construction purposes.

John Graham & Company
Investment Dealers
Ottawa

WRIGHT HENDERSON & Co., Ltd.
Investment Securities
Telephone MA. 6367
231 St. James St. W. Montreal

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	*6%	1942	Dec. 31	105
Mississippi R. Pr.	‡5%	1951	Jan. 1	105
Penmans	*5½%	1951	Dec. 15	...
C Crushed Stone	†6½%	1944	Dec. 16	...

For sinking fund purposes: ‡$154,400. *$59,000.

*Tenders called for an unstated amount at prices not exceeding 110 and accrued interest.

†Tenders called for $17,100.

You Do—We Don't— You Do—We Don't—

What is the truth of the road-rail dispute? Mr. Justice Chevrier and two able colleagues constitute a Royal Commission sifting transport problems for the Ontario Government, and in the December issue of

BUS AND TRUCK TRANSPORT

481 University Ave., Toronto

the story of their activities to date, some of the principal briefs entered by interested parties, and editorial comment on the whole affair will enable interested persons to follow the affair with a minimum of study and reading.

Transport operators, private and public, must keep up with news of new models. They may mean cost-cutting chances. There are more new truck lines in this issue.

Way Down East

They are not backward in realizing the necessity of modernizing power plants to control power costs. In the December issue of

MODERN POWER AND ENGINEERING

481 University Ave., Toronto

the new oil-fired steam generator recently installed by Acadia refinery will be described by James Breakey, editor, who recently returned from an extended trip to the Maritimes. In the same issue he tells the story of the heating and ventilating of the two new public buildings in Halifax, N.S.

Executives who watch cost sheets, and operating engineers who watch charts should both watch for this issue, full of live material of value to them.

A Bear's Winter

will probably stay the same—a good, long sleep—as long as we have bears, but the garage operator's winter is being changed for him by modern science. No longer need he drowse the days away around the stove. The automotive business is now a year-round activity, and in the December issue,

CANADIAN AUTOMOTIVE TRADE

481 University Ave., Toronto

tells just how the service shop can be kept full of profitable work through the Canadian winter.

Full of news, ideas and sound, dependable service information, this and every issue of this paper is necessary to every worth-while car dealer and garage operator.

The Dominion Department of Agriculture has issued a report describing

WHAT EVERY CANADIAN SHOULD KNOW

about

The British Market for Canadian Farm Products

It deals with Beef and Store Cattle, Dairy Cattle, Dressed Beef, Horses, Bacon and Ham, Cheese, Butter, Condensed Milk, Dressed Poultry, Eggs, Canned Fruits and Vegetables, Fresh Fruit, Honey, Maple Products, Tobacco, Hay, Alfalfa Meal, Grass and Clover Seeds, Furs.

You may have a copy free

Write to
Director, Marketing Service
Department of Agriculture, Ottawa

Issued under direction of Hon. James G. Gardiner, Minister.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Summerland, District of B.C.	Dec.	A. E. Ames & Co.	4½%	25-ser.	$80,000	.....	.....
Guelph, Ont.	Dec.	A. E. Ames & Co.	3%	5-ins.	20,000	100.50	2.825%
Halton County of	Dec.	Harris, MacKeen, Goss & Co.	3%	5-ins.	12,000	100.52	2.82%
Three Rivers, Que.	Dec.	..	4%	1938-52	125,000	100.00	4%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
L'Hotel-Dieu Saint—Michel de Roberval	Nov.	Dube, Leblond & Co.	4%	1939-53	$265,000	.....	.....

Stock Issues—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Treaty Petroleum	Dec.	Direct	...	......	20,000 shs.	.....	.....

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

THE FINANCIAL POST BUSINESS YEAR BOOK, YEARLY, $2.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES, YEARLY, $2.
THE FINANCIAL POST SURVEY OF MINES, YEARLY, $2.
THE FINANCIAL POST RECORD OF PROSPECTUSES, HALF YEARLY, $7 per volume.
THE FINANCIAL POST CORPORATION SERVICE, $20 monthly. Special prices for individually selected investor's service.
DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS, YEARLY, $10.
THE FINANCIAL POST SURVEY OF CANADIAN OILS, YEARLY, $1.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2.
Founder and Chairman—JOHN BAYNE MACLEAN
President—HORACE T. HUNTER
Vice-President and General Manager—H. VICTOR TYRRELL

ADVERTISING RATES
Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London—Resident representative, J. K. Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, DECEMBER 11, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Overgovernment

THE Rowell Commission has lost no time in seeking information on a vexing topic—overgovernment.

In Winnipeg last week, Hon. N. W. Rowell invited the Manitoba Government to express an opinion on the specific question of merging Canada's provinces into five "economic" areas. Mr. Rowell mentioned a representation that had been made to the Commission for the consolidation of the Prairie Provinces into one administrative unit with a similar merger in the Maritimes. Consolidation of the Yukon with British Columbia was also suggested. In giving approval to the proposal, Premier Bracken recalled that Manitoba had in fact proposed such a plan some years ago but that it had fallen on deaf ears and received little attention.

Manitoba is an exception to the general rule that proposals such as this find favor only in the areas not affected by the change. Ontario, Quebec and British Columbia would probably approve the plan. Dr. H. L. Stewart, in his weekly article in this issue, interprets Maritime opinion as opposed. One reason there has been as yet no general enthusiasm in Canada is the presence of strong vested interests in the areas affected.

Then, too, there is the deep-rooted theory that Canada's ship of state is the sort of vessel described recently by Privy Councillor Lord Atkin as "still retaining the watertight compartments which are an essential part of the original structure." According to this theory each province is virtually a sovereign state within the federation—a constitutional viewpoint which in itself is deemed sufficient to bar any merger of individual provincial units.

• • •

The major point that must be kept in mind by the Rowell Commission is that the merging of several provinces is only one aspect and perhaps a minor aspect of overgovernment in Canada. Only last week the mayor of an important Ontario community submitted to The Financial Post a strong argument for the abolition of all county councils within that province. Similar suggestions of equal value could be made in every part of Canada.

Of first importance also is the question of overlapping functions as between the various provinces. This is one of the most valuable single avenues of approach to the problem of overgovernment — the avenue which offers perhaps the quickest road to success. Within three administrative units such as the Prairie Provinces (for example) there are a score or more of functions and services which could be eliminated or pooled by co-operative effort even without a formal merger of the entire provincial machinery. Similarly there are at least a dozen overlapping departments as between Ottawa and the provinces that have no reasonable excuse for existence beyond the desire to retain old vested "rights" and maintain work and prestige for local political interests.

The chief trouble seems to be that Canadians have never really tackled seriously this matter of overgovernment. Here and there, far-sighted political leaders have reduced the number of legislators or abolished certain obsolete functions. On the whole there has been no wholehearted effort to come to grips with the problem.

Apart from its other studies and recommendations the Rowell Commission should give Canada an informed and searching analysis of this matter. By carefully collecting the facts and views of every part of Canada it should be able to present in clear perspective the glaring excesses of our governmental superstructure. It must sketch out a pattern for the gradual elimination of overgovernment in this country.

If Peace Comes

MANY people are worrying about what will happen to world business if war comes. Graham Hutton, English economist, who has been giving some lectures in Canada, tells us we need not be puzzled. What will happen is obvious: "Inflation."

Hutton thinks that a more difficult question is what will happen if peace comes. Certainly, the present pace of rearmament cannot be maintained and some day the factories and traders of the world will have to do without the stimulus of war orders. How then can recovery be protected?

Here, too, the answer is pretty obvious; it is to get world trade moving once more.

The world is estimated to have spent $15 billions on rearmament in 1936. This was an increase of about $9 billions in three years. Probably more was spent in 1937. That shows where some of the world's present improving prosperity has been coming from.

If conditions can be created favorable to the investment of the surplus capital of one country in the resources of other countries; and for the international exchange of goods that would result, then steadily rising prosperity can be had in the world.

Present discussions between the United States and the United Kingdom are doubly significant because of their timing. They give promise of a peaceful substitute for rearmaments as a prop of prosperity.

Gradually the trade barriers that, "like mountains interposed, make enemies of nations," will be scaled to more reasonable levels. The British nations are already revising their Ottawa agreements to make them accomplish more directly their original purpose of effecting a net increase in trade in the world. Each of the British countries has entered in trade agreements with foreign countries to the end of stimulating business between them. The United States has pressed its own reciprocal trade programme.

Now, if the United States and the British nations can be brought together in a common purpose to raise the levels of existence subsistence throughout the world, then indeed will a major step toward economic and political appeasement have been taken.

To Canada the favorable implications of such a move would be apparent. All that we require for continued improvement in the economic lot of our people is an opportunity to sell abroad an increasing quantity of what we can produce. The greater the buying power of the outside world and the keener its desire to buy, the greater the prosperity of all sections of Canada.

It is for selfish as well as for altruistic reasons then that Canadians generally should support the negotiations between London and Washington and pray for their speedy and successful conclusion.

Our rôle is not merely that of the interested, cheering bystander. We have options on both American and British markets that may interfere with the easy execution of an American-British understanding. We have to be prepared to revise both our trade agreement with Britain and our trade agreement with the United States to permit those two countries to come together.

The exact nature of the "concessions" that will be asked of Canada have not been made known. Obviously no blanket commitment to approve them can be made in advance. But when they are known, they should be studied in the light of the larger economic needs of the Dominion.

We Can Afford Christmas Trees

NEVER a December rolls round but light-hearted children are warned that the gay little evergreen standing in the living room corner on Christmas morn represents a grave loss to Canadian forests. Had it been allowed to mature, the little folk are told, there would have been so many more tons of newsprint, so many more square feet of flooring.

Happily the children refuse to take these dire predictions too seriously. They know, if solemn editorial writers do not, that Nature is lavish in the matter of production, that Canada can well afford to sacrifice millions of eight or nine-year-old evergreens each season. Indeed if these young trees did not find a market both locally and abroad for Christmas decoration they would have to be cut down in any case.

If one decides to reforest a barren hillside, trees must be planted at the rate of at least two to three thousand to the acre, yet at maturity half a century or more hence, less than a hundred can be allowed to remain. Close planting is adopted so that objectionable side branches with their knots and cross grain will not develop. Every few years during the interval between planting and maturity thinnings are made which reduces the original stand by 50% each decade. The harvest of Christmas trees is normally the first crop. Provided removal is conducted as a proper thinning operation no harm, but good, follows. Like the toys beneath it the Christmas tree is a free gift of nature with no strings attached.

Uniform Company Laws

ANOTHER conference has been held at Ottawa between representatives of the Dominion and eight of the provinces in an effort to provide uniform company acts for Canada. At the close of this session the statement was issued that, "so far as the work proceeded, little divergence of opinion was expressed on important questions." But the statement did not claim that the work had proceeded very far.

Aside from the statement that members of the committee favor the principle that voting strength of shares should be measured by the actual investment in the company by each class of shareholders, no official clue has been given as to the direction of opinion at the latest conference. Members indicated, however, that they would be able to report to their respective governments that "there was every hope and expectation of reaching unanimous conclusions in respect to most of the essential problems," which is not encouraging to those adept at reading between the lines.

The present situation where company promoters find it possible to choose the company act which requires least expense, least disclosure and least responsibility and devise a system of company financing to take greatest advantage of the many loopholes present has already lasted far too long. The current plan advanced by Secretary of State Rinfret, whereby a uniform act would be adopted by each of the provinces and the Dominion, appears a logical proposal. It has the advantage from a practical standpoint that the question of jurisdiction between the provinces and the Dominion would still be kept out of the controversy by the passing of ten acts as nearly alike in meaning as possible.

What is needed now is rapid action to consummate this very important job. The country has had enough of these "face-saving" generalities about the progress being made.

A Lesson in Confidence

EVERY year the Association of Life Insurance Presidents (senior life insurance organization in the United States) invites a distinguished Canadian to bring greetings from this country. This year it was Hon. Charles A. Dunning, minister of finance, who is one of the few Canadians to have received the honor twice.

Mr. Dunning chose as his text the single word "confidence." He reminded the life insurance men (Mr. Dunning was a life insurance president himself two years ago) that their whole business was built on confidence and that the billions of dollars worth of assets represented were based "on pieces of paper which imply faith in somebody's willingness and ability to pay in accordance with what is written on that paper."

Applying this to the larger spheres and to human relations Mr. Dunning pointed the moral of the present business recession, namely that "once fear has replaced confidence, depression is sure," and that once confidence is destroyed it cannot be quickly replaced. Similarly in the field of free institutions such as democracy and government he stressed the importance of guarding these jealously and not taking them for granted lest once lost they may not easily be regained.

"If present and future generations of our people are to have confidence in our institutions of government, it is vital that we do not take them for granted, but continuously, in season and out of season, remember the fundamentals upon which our confidence alone can be based.

"There never was a time in history when our people required to think and talk more about the why and wherefore of what we have than the present time."

This is a message that is just as necessary and as vital to Canadians as it is to those to whom it was addressed.

Editorials in Brief

The Winnipeg Board of Trade is the first organization of its kind to submit a brief to the Rowell Commission. Its submission is a clear-cut, businesslike document pleading the case for the common citizen and the paramount importance of strengthening national bonds rather than encouraging sectionalism.

• • •

Hon. D. B. Mullen, Alberta minister of agriculture, has just returned to Edmonton after visiting the Royal Winter Fair. He says Social Credit is making progress in Ontario.

Well, that is news—if true. We'll believe it the morning we get our $25 monthly "dividend" cheque.

• • •

"Three weeks before election day, The Financial Post, one of the leading financial papers in Canada, gave it as its considered opinion that the Reconstruction Party would take at least 70 seats."

So remarked Bruce A. McKelvie in Victoria the other day. He was talking about the Federal election of Oct., 1935.

What The Financial Post said was, "Reading the election chart is beyond any man."

Of Mr. Stevens, it remarked that he was "rapidly talking himself out of the political picture in Canada."

• • •

Edmonton Journal infers from a recent editorial on this page that The Financial Post favors Canada sponsoring a type of showmanship in her international displays and exhibits that is misleading.

This is just what The Post believes Canada must avoid.

In the past, Canada's government buildings and official exhibits at world fairs have tended to overplay our natural resources, to feature our primitive rather than our present-day assets. This is just as misleading as the Russian technique of overplaying and exaggerating her industrial and mechanical accomplishments.

Canada's exhibits must henceforth tell a balanced, up-to-date story of the great industrial and cultural achievements of this country. She must tell this story with all the power of modern showmanship.

Sayings of the Week

"Once fear has replaced confidence, then depression is sure."—*Hon. Charles Dunning, Minister of Finance.*

• • •

"Propaganda is a wholesome device in democracy."—*George E. Sokolsky.*

• • •

"No orchestra that is any good is self-supporting."—*Dr. Hans Kindler, director National Symphony Orchestra, Washington.*

• • •

"Of our present-day crime breeding conditions, the most culpable of all is the unthinking American parent."—*J. Edgar Hoover.*

• • •

"Canada is the only country in the world which entrusts the collection of its taxes to a separate department."—*Hon. J. L. Ilsley, K.C., Minister of National Revenue.*

• • •

"The world needs something of the deep spiritual leaven that has surged throughout Scotland for long centuries."—*Premier Angus L. Macdonald at annual banquet of St. Andrews Society of Charleston, South Carolina.*

• • •

"The search for securities in the world today is one of the most perilous things we face. It will be a strange thing if the authoritarian church and authoritarian creeds do not make capital out of the present chaos in our religious life."—*Rev. Dr. Harry Emerson Fosdick.*

• • •

"It is my firm belief that no conceivable change in the organization of society could accomplish even an infinitesimal fraction of the redress of ruins in the contribution to human progress which would result were every man and woman in the world to be raised even one per cent above the existing standard of wisdom and skill."—*Sir Edward Beatty.*

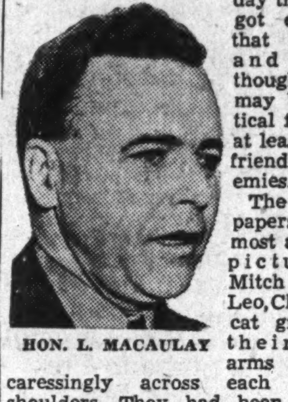
—Cartoon by Grassick.

PLEASANT DREAMS

Post-Scripts . . . .

Leo, the Pocket Lion

Last year Premier Hepburn of Ontario got so angry at Leopold Macaulay that he had him thrown out of the provincial Legislature. But the other day the world got evidence that Mitch and Leo, though they may be political foes, are at least fairly friendly enemies.



HON. L. MACAULAY

The newspapers ran a most amusing picture of Mitch and Leo, Cheshire-cat grins on their faces, arms draped caressingly across each other's shoulders. They had been photographed at the opening of the short three-day session of the Ontario Legislature. A few days later the society column reported that Mr. and Mrs. Mitch had attended a tea at the home reception at the home of Mr. and Mrs. Leo.

• • •

Hon Leopold Macaulay, who used to be a cabinet minister when there was a Conservative government in Ontario, is 50, which means that old men think he is young and young men think he is old. He is a scrappy fighter; not petulant, choleric or quarrelsome but able to hold his own in any political melee. Like his chief opponent, the Hon. Mitchell Hepburn, he is a small package of dynamic energy. He has one advantage over the Premier; he does not lose his temper easily. He enjoys political pugnacity too much to spoil it by bad temper.

• • •

Proud Indignity

Recently Conservative members of the Ontario Legislature elected Mr. Macaulay as their house leader. This puts him in the squared circle with Mr. Hepburn. When they face each other between the ropes all the old metaphors will be brought out by commentators. But it will not be "Greek meets Greek" nor "steel meets steel" nor even "no holds barred." It will be "Dempsey versus Dempsey,"—serious-purposed hard-hitting, but preferably according to the rules.

In the boxing ring, there is always a referee. In the Legislature there is always Mr. Speaker. If God is always on the side of the heaviest battalions, Mr. Speaker, in provincial legislatures at least, is usually on the side of the biggest group in the House. So it was last year when the sergeant-at-arms escorted Mr. Macaulay to outer darkness after he had so vigorously contested a ruling dictated by the Premier that he was subjected to the proud indignity of being banned from the Legislature. His fellow Tories draped his chair with the Union Jack, Mr. Hepburn's fury abated, the Speaker may have gone out to look up the precedents to see if the ruling he had made was the right one after all. Anyway Mitch sent couriers to Leo begging him to come back and all would be forgiven. But Leo was smart; he wanted to score off the incident. He did not want to be forgiven. He wanted the forgiveness to be on the other foot.

A few hours later—the Legislature was meeting about 23½ hours a day then—the Premier moved for the return of Macaulay. The Conservatives refused to second the resolution lest they admit that Macaulay had been properly ejected. Then a Liberal seconded the motion, it was duly carried and Macaulay returned in triumph.

• • •

May Lead Party

Mr. Macaulay is a lawyer. His partners are Liberals, sons of a former Liberal M. L. A.

His perennial Liberal opponent in South York is Dan Lang, K.C. During election campaigns Leo and Dan fight it out with unyielding vigor but always in good temper. As a matter of fact, they are very good personal friends.

Mr. Macaulay has three children. Mary, who is in fourth year at university, once distinguished herself by delivering a fighting pinch-hit speech for her father. Hughie and Bobbie are too young yet to be in politics.

Selection as House Leader gives Macaulay a head start in the race for a successor to Hon. Earl Rowe, who may or may not continue as provincial leader of the Conservative party. If Macaulay wins out it will be in spite of the tar spread on him by those who invented the phrase "The Old Gang" to describe the remnants of the Ferguson and Henry cabinets. The younger Tories in Ontario have been in revolt against "The Old Gang" and anyone who was in or of "The Old Gang" starts out with a heavy handicap. Mr. Macaulay is usually included on the list. The Liberals got out a poster in the election campaign this fall. It showed "The Old Gang" weighting down one end of the Tory "Rowe-boat." The tagline was "You only think you're rowing, Earl."

The belly-laugh in the poster came after the election. Rowe was defeated and every member of "The Old Gang" pictured in the poster was re-elected. Maybe the publicity given them by the Liberals did it for them. Anyway the result may have sobered younger Conservative opinion about The Old Gang, who at least knew how to get elected—against the brush of a Liberal sweep.

As for Leo Macaulay it may be hard to keep "The Old Gang" label pinned on him. He is just the type of fighting leader that the young Tories think they want and, when a man in politics is only 50, it is hard to classify him with any group whose title includes the word "old." Especially when his ideas are pretty progressive.

• • •

Henry Wise Wood

Henry Wise Wood, the man from Missouri, who more than any other individual was responsible for the political success of the United Farmers of Alberta, has retired as chairman of the Alberta Wheat Pool. He becomes honorary president and has been voted a pension.

Like J. J. Morrison, founder of the United Farmers of Ontario, Wood always preferred to be the power in the background. Like Morrison he refused a premiership to place his own nominee in power. But while Morrison and Drury quarrelled, Wood maintained close and friendly contact with the U.F.A. Government during the 15 years it was in power.

It was through the lean, lanky Morrison that we first met the lean and lanky Henry Wise Wood. What appeared to be the longest legs we have ever seen, were resting comfortably on a cluttered desk. It was 1922 and farmer politicians were at the peak of their power in Canada. Dunning had just become premier of Saskatchewan. Wood predicted his early translation to Ottawa. Brownlee was Attorney-General of Alberta. Wood saw in him the political hope of Alberta's United Farmers. He was critical of Drury in Ontario and predicted his early defeat. He was insistent that western grain should be pooled. The following year he became the chairman of the board of directors of the new Alberta pool.

As he grew older he has mellowed. He surprised a lot of his friends by accepting a C.M.G. in the 1936 honors list. But for years there has been a strange friendship between the two Calgarians, R. B. Bennett and H. W. Wood, and this was just another manifestation of it.

Mr. Wood carries his 77 years well. He has been active in farm movements since his arrival in Alberta in 1905. His influence has always and still is great—behind the scenes.

• • •

Joins Bank Board

Lamonte J. Belnap, whose election to a directorship of the Bank of Montreal was announced this week, is better known as a doctor of sick companies than as a financier. His association with the Bank of Montreal is equally well known to the initiate, for at different times he has been called in to give advice on various industrial enterprises in which the bank had a direct or indirect interest.

Until he took over the presidency of Consolidated Paper a few years back, Mr. Belnap was comparatively unknown to Canadians. He came to Montreal about the turn of the century, a young man in his twenties. With the exception of three years spent in Winnipeg, he has made his home in Montreal, though for a time prior to 1931 he spent most of his time in New York.

Usual sources of information have little or nothing to say about Mr. Belnap. He was born in the States and his business experience has been mostly in that country. At one time or another he has been connected with Allis-Chalmers, Bullock Ltd., Rundel-Belnap Machinery Co., Ingersoll Machine Co., Williams Mfg. Co., Rolls Royce Co. of America and Worthington Pump and Machinery Corp. He was president of the latter company before taking over Consolidated Paper. During the war he acted as Assistant Director of War Supplies for the British War Mission at Washington.

Mr. Belnap's reputation as a business executive has been made by "pulling companies out of the hole." The results which he has achieved to date with Consolidated Paper show that his reputation was well earned. His election to the Bank of Montreal's board is, in part, a recognition of this achievement and also because his knowledge of business would be a real contribution to formulation of the bank's policies.

• • •

Modest Minister

The other evening, Hon. J. L. Ilsley, minister of national revenue, addressed the annual meeting of the Commerce Club—official organization of the University of Toronto undergraduates in Commerce and Finance.

HON. J. L. ILSLEY

Mr. Ilsley is perhaps Canada's most modest cabinet minister. He is also one of the ablest in the present Liberal administration at Ottawa.

To hear him speak you would never suspect he was a politician or that he had risen to political eminence in the politically-minded Maritime Provinces. His constituency however, is in the heart of the Nova Scotia apple country and, although he did not admit as much to his audience, he is probably wondering what will happen to him—politically—if his government gives the United States a share of the preferred apple market Canada now enjoys in Great Britain.

Perhaps the only thing left for Mr. Ilsley would be a judgeship, which would be a tribute to the bench but a loss to Canadian public life.

• • •

During the course of his address (which discussed with frank clarity the work of the National Revenue Department), Mr. Ilsley emphasized the pains taken by the department to render at all times courteous, efficient service to Canadians and to visiting tourists.

He quoted some lines from a poem written by a customs officer at Niagara Falls recently and which start out something like this:

"The men who stand on the Border-
land to protect the revenue
Enforce the Act with firmness and
tact, which isn't so simple to do;
It is only right to be polite, to be
tactful and also firm;
To gather the due of the revenue,
and be neither a bear nor a worm.
The Crown on the cap is a sacred
trust, an emblem, a battle gage:
But remember, the chap with whom
you scrap is the fellow who pays
your wage."

• • •

Dr. Innis and Alice

Earlier in the evening, Dr. Harold Innis, head of the Department of Political Economy at the University of Toronto, had greatly amused the audience by introducing Mr. Ilsley with the aid of two world classics—copies of which he produced at the dinner table and quoted at some length. One book was Adam Smith's Wealth of Nations and the other was Alice Through the Looking Glass.

His quotation from Alice had to do with the situation where the Queen insisted on Alice and the plum pudding being introduced, with the result that after the formalities were over Alice nearly missed getting any supper at all. Dr. Innis implied that to introduce Mr. Ilsley to the Commerce Club was as ridiculous as Alice's introduction to the plum pudding. Unfortunately, Mr. Ilsley wasn't quite sure whether he was being likened to Alice or to the pudding.

The 1937-38 term, by the way, is Dr. Innis's first as head of the Department of Political Economy at the University of Toronto. He received this well-deserved promotion earlier in the year. But the University of Toronto nearly missed the opportunity of seeing much of its lanky, Maritime economist, because on his return from a summer vacation in England he got an urgent radiogram from Ottawa urging him to accept an appointment with the Rowell Commission.

To make a long story short, Dr. Innis finally won his point that he had too big a job to tackle in Toronto just now, so his name will not appear among the lengthy list of Canada's economic savants who are adding their wisdom to the sum total of its deliberations.

In the Mail . .

Tom Girdler

Editor, The Financial Post:

I would have liked to have given you a truer photograph of Tom Girdler and his investigation by the U. S. Senate Committee than that given by your reporter recently, but was afraid it might not be published. There is plenty of material for portraying his cowardly actions and his aggravation of violence.

Surely this newborn union organization, fitted to newer conditions than its predecessor, has shown itself to be, not still-born, but a lusty infant which has long outgrown its swaddling clothes.

ALICE A. CHOWN,
Toronto, Ont.

Other People's Views . . . .

Alberta's Unity Movement
Edmonton Journal

Once again the movement to bring about concerted action among opponents of the present Alberta Government is in a snarl. It has received strong support from citizens in all parts of the province and they are disappointed and anxious after reading the reports of recent Calgary gatherings.

When the interests of the province demand so imperatively that all those who are in general agreement with regard to matters of most vital concern to its future should drop their old-time party differences and act together, it will be deplorable if they fail to do so.

Nova Scotia Fears
Halifax Herald

Still another threat to basic industry in this province emerges from the triangular trade negotiations now in progress between Canada, the United States and Great Britain.

For months there have been disquieting reports that the fruit industry of this country might lose all or part of the preference it enjoys in the British market.

There have also been disquieting reports respecting the lumber preference.

And now, this new threat—this threat to the coal schedules.

The people of this province will be watching the coal duties just as closely as they are watching the apple and lumber preferences.

Worth a Sacrifice
Regina Leader-Post

It is possible that Canada may be called upon to make some sacrifice in order to promote the establishment of a trade treaty between Great Britain and the United States. Our trade might be pared down here and there and we might have to struggle harder to hold our markets. On the other hand, there is always the probability that Canada would eventually benefit from a wider flow of trade throughout the world even although there might be temporary set-backs and dislocations.

But the really vital point is the establishment of a firm basis of friendship between Britain and the United States. This is one of the corner stones of any plan for world peace. If such a plan is to be rejected by Canadians because they may think it is going to call for some sacrifice then we had better shut up and stop talking about peace.

The B. C. Fuel Report
Vancouver Province

If that part of the Macdonald report dealing with gasoline, which was in the hands of the Government a year ago, had been made public before the provincial general election, it would have been an election issue. With the report in the hands of the electors, the Government would not have found it so easy to evade all its promises with respect to the appointment of a public utilities commission.

Commissioner Macdonald pointed out that British Columbia people had expended, in the last ten years, $300,000,000 for gasoline and $100,000,000 for coal and coke. He gave it as his opinion, too, that they had paid too much. There is a lot of money involved. There is a lot of public interest involved, and the Government will be pressed to take some action. It might remember, in this connection, that the Province of Nova Scotia has put gasoline under its Public Utilities Commission. It might remember, too, that no province in Canada save British Columbia and Prince Edward Island is without a public utilities commission.

As Others See Us . . . .

Is It Timely?
Collingwood Enterprise-Bulletin

The unemployment insurance proposal of the Federation Government may have merit, but the question is, is it timely?

The Financial Post, for example, while not discounting the idea, says: "There are many who have grave doubts as to Canada's readiness or ability to shoulder such a tax. They feel, rightly, that we should first solve our railway problem before assuming this burden.

Congratulations to Col. Maclean
Midland Free Press

Hearty congratulations to Col. J. B. Maclean, founder and active head of the MacLean Publishing Co., which is responsible for Maclean's Magazine, The Financial Post, and a host of other periodicals, on his having passed his 75th birthday.

Col. Maclean has done a great job for Canada by publishing papers and magazines which stand for the highest ideals in our national life. He has set a fine example of independence in politics and his counsel is worth taking on any Canadian question. There is no man in Canada better informed on what is going on in this country and throughout the Empire. Needless to say the Colonel is strong for British connection, and ardently advocates that Canadians should get away from provincialism and develop a national consciousness.

Stop Me If You've Heard This One . .

Hon. Leopold Macaulay told this joke on himself in the Ontario Legislature last week.

He said that the grave-robbers who were active a little while ago in Ontario were not looking for a corpse but were looking for a Conservative Leader.

Week in Business

Colder Weather Brings Business to Retailers

Favorable News Predominates — Wholesalers Still Cautious But Firmness in Commodity Markets and Lowering of Inventories Indicates Future Buying

Favorable factors predominate in this week's budget of business news.

A heavy snowfall and colder weather in eastern Canada have materially stimulated retail buying with clothing, footwear and sporting goods benefitting especially. Country buying, due to higher farm returns in every province except Saskatchewan, continues to advance.

Dividend payments this year are estimated at the record level of almost $330 millions or $68 millions above a year ago and approximately $45 millions in excess of the best previous record scored in 1930.

Long term prospects are improved by more indications of firmness in commodity markets. Inventories both here and in United States, it is believed, are being used up fairly rapidly with prospects of new buying early in the new year.

• • • •

Of a less favorable nature are reports from the wholesale trade. Buying there is still largely of a cautious, hand-to-mouth nature.

Christmas purchasing, it is also reported, has not reached the stride of this time a year ago, though more seasonable weather may largely remedy that.

Some lull is becoming apparent in certain lines of heavy manufacturing where with back orders nearing completion and no new big business in sight, some companies are curtailing operations.

• • • •

"Prevailing conditions do not indicate imminence of any major economic depression," states the current issue of World Trade, Journal of the International Chamber of Commerce. Warning is issued, however, that steps must be undertaken immediately to reduce barriers of international trade if anything like prosperity is to be maintained. Completion of the present armament programme under way in many countries, it is pointed out, would be sufficient to cause a serious setback unless the slack was taken up by expansion in exports of a permanent nature. Private conversations and negotiations between governments, it is contended, could produce immediate results. Coming Anglo-American trade negotiations should prove the correctness of this contention.

• • • •

Inventories will have a very decided bearing on business conditions generally during the first quarter of 1938, in the opinion of the National Association of Purchasing Agents. In many instances, abnormally large stocks are being liquidated both in United States and Canada as quickly as manufacturing operations will permit so as to make as desirable a showing as possible at the coming year end. Uncertainty as to future prices is also a factor in this connection, manufacturers desiring to get their money quickly out of accumulated goods, fearing further price recessions. This liquidation of inventories, however, is generally regarded as a very constructive factor and should result in actual purchasing of commodities again once the business outlook clears.

Business Indicators

Carloadings continue to hold 7% gain over a year ago and gross earnings both railroads naturally up also.

Business indicator of Dominion Bureau of Statistics declines slightly for last week in November when it was nine points below same week a year ago.

Motor sales in October higher, but gain in this month not considered as significant as cumulative lead of 25% for first 10 months.

Construction contracts awarded in first 11 months of current year up over 35%.

Production—In October flour, fishing and coal all down slightly.

Domestic trade figures for October all higher than same month a year ago, though rate of increase declines.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked thus▲:

	Latest 1937	Latest 1936	Jan. 1 to date 1937	Jan. 1 to date 1936
Transportation—				
Car loadings, week (Nov. 27)	▲52,660	51,521	2,406,847	2,244,626
C.N.R. gr. earn., wk. (Nov. 30)	$ ▲5,092,639	$ 4,633,071	$ 182,177,480	$ 176,129,995
C.P.R. gr. earn., wk. (Nov. 30)	$ ▲3,967,000	$ 3,554,000	$ 131,969,000	$ 126,307,000
C.P.R. net revenue (Oct.)	$ 4,279,107	$ 4,403,183	$ 17,353,048	$ 16,230,651
C.N.R. net revenue (Oct.)	$ 3,431,576	$ 3,638,519	$ 13,959,438	$ 9,843,980
Business Conditions—				
Weekly index, D.B.S. (Nov. 27)	▲103.6	112.9	......	......
Financial Post Index (Oct.)	123.2	118.5	......	......
Iron and Steel (October)—				
Pig iron production (tons)	80,922	70,051	735,360	535,836
Steel ingots and castings prod. (tons)	114,527	98,330	1,191,989	912,064
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Oct.)	▲4,356	2,825	100,622	79,119
Factory output (October)	7,378	4,592	125,194	104,680
Trucks and Buses:				
Domestic sales* (Oct.)	▲1,491	1,196	26,954	19,215
Factory output (October)	725	769	44,580	26,419
Exports (October)	4,090	2,922	59,508	46,699
Financing (October):				
Used	$ 2,240,600	$ 1,749,543	$ 31,042,207	$ 22,308,625
New	$ 2,051,859	$ 1,543,324	$ 35,672,229	$ 26,314,098
Construction—				
Cons. contracts (Nov.)	$ ▲14,716,300	$ 13,840,400	$ 213,293,100	$ 156,469,200
Production—				
Cement, bbls. (Aug.)	909,000	608,780	3,831,726	2,804,531
Clay (Aug.)	$ 485,653	$ 410,243	$ 2,594,151	$ 2,187,618
Gypsum, tons (Aug.)	116,800	81,900	620,470	453,856
Agriculture—				
Flour prod., bbls. (Oct.)	▲1,489,185	1,701,267	11,116,473	12,408,093
Flour exp., bbls. (Oct.)	336,478	464,013	3,343,412	3,966,135
Wheat exp., bus. (Oct.)	10,055,102	26,917,096	74,829,853	189,303,774
Cattle sales (Oct).	126,578	114,350	853,211	735,886
Hog sales (Oct.)	90,274	112,461	835,262	793,834
Sea Fisheries—(Oct.)‡—				
Catch, cwts.	▲841,664	1,092,880	7,943,213	7,969,741
Landed value	$ ▲1,014,615	1,005,188	15,469,240	14,391,261
Newsprint (tons)—				
Production (October)	314,594	301,106	3,042,961	2,604,831
Exports (October)	302,325	280,732	2,830,852	2,411,019
Mining—				
Coal prod., tons (October)	▲1,694,210	1,808,166	12,487,794	12,264,946
Coal imports, tons (Oct.)	▲1,837,501	1,633,744	13,375,924	11,001,744
Gold prod., fine oz. (Sept.)	348,109	332,435	3,017,334	2,759,752
Nickel prod., lb. (Sept.)	19,022,019	15,905,474	166,862,938	123,832,594
Copper prod., lb. (Sept.)	48,045,831	36,132,444	377,945,306	305,767,440
Employment D.B.S. Index (Nov. 1)				
All industries	125.2	111.0	......	......
Manufacturing	119.0	107.7	......	......
Electric Power Output (Oct.)—				
Total monthly m.k.h.†	2,365,062	2,280,508	22,702,265	20,806,580
Trade (October)—				
Retail trade (index no. of sales)	▲80.9	75.8	......	......
Wholesale trade (Oct.)•	▲3.3	......	......	......
Dept. store sales (Oct.)	▲79.9	77.2	......	......
C'try. gen. store sales (Oct.)•	5.1	......	......	......
Imports (October)	$ 82,112,749	$ 65,158,561	$ 675,130,782	$ 516,024,934
Exports (October)	$ 103,684,388	$ 113,002,780	$ 928,183,997	$ 805,629,169
Other Industrial Factors—				
Dressed lumber, exp.:				
M. bd. ft. (October)	149,547	185,338	1,576,946	1,392,309
Boot & shoe prod., pr. (Sept.)	2,256,289	2,106,801	19,116,522	16,818,356
Crude petrol., imp. gal. (Oct.)	158,839,605	158,755,174	1,137,396,630	1,037,902,067
Cotton imports, lb. (Oct.)	19,112,693	16,542,791	121,285,935	108,339,870
Raw rubber imp., lb. (Oct.)	13,436,546	6,965,578	64,247,063	50,099,859
Cigarette cons. (Oct.) No.†	578,668	551,363	5,579,878	4,633,928
Sugar (lb.)—				
Melting and sales§ (raw)	106,951,490	100,937,342	756,915,710	783,496,087
Manufactured§	158,865 34	141,335,351	792,909,928	802,444,724
Finance—				
Bank debits (October)†	$ 2,905,803	$ 3,328,226	$ 29,159,031	$ 29,221,453
Bond sales (October)	$ 50,653,900	$ 125,730,675	$ 966,019,614	$1,152,906,316
Life insurance (October)	$ 33,762,000	$ 29,402,000	$ 314,650,000	$ 291,702,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Nov. 6.
•Percentage increase over last year.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

Investments for Current Funds

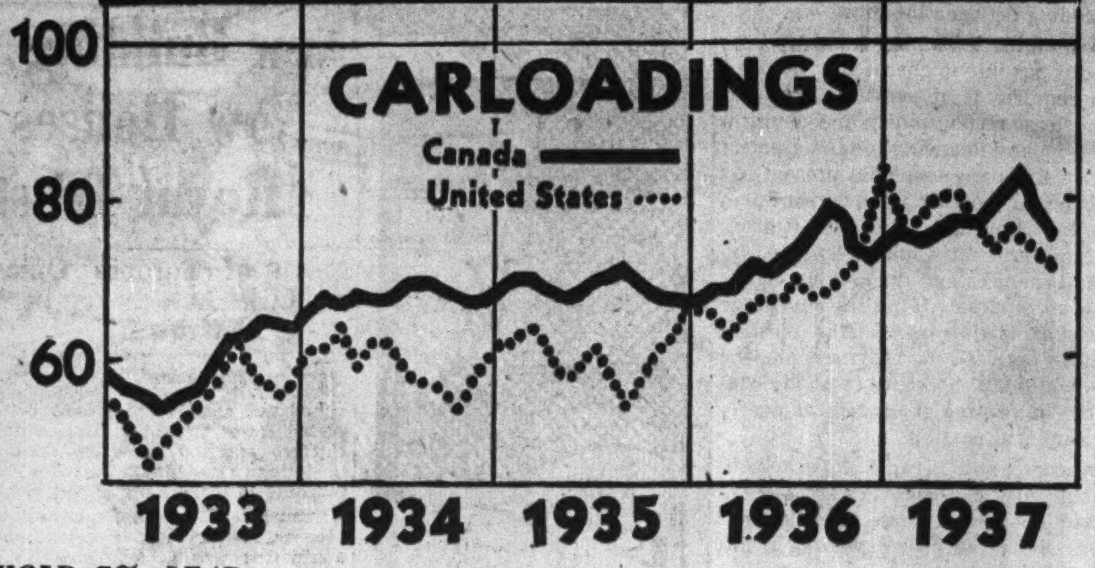
Our weekly list of offerings of Government, Public Utility and Industrial securities affords a choice of issues to suit individual investment requirements.

Copies gladly forwarded to investors upon request.

Royal Securities Corporation
Limited

244 St. James Street, Montreal — 330 Bay Street, Toronto 2

Halifax, Saint John, Quebec, Ottawa, Winnipeg, Calgary, Vancouver, Charlottetown, Hamilton, St. John's, Nfld., New York, London, Eng.



HOLD 7% LEAD

Though there was no big grain crop to move this fall Canadian carloadings to the end of November were still more than 7% above the corresponding period for last year. Total freight moved this year will be the best in the last six years. The increase is almost entirely due to movement of general merchandise, thus indicating a substantial advance in industrial activity.

Grain volume is down sharply and total cars of coal and coke have declined substantially. Lumber is up moderately and ore sharply. From the above chart based on indices prepared by the Bank of Nova Scotia it will be noted that recently carloadings have been better maintained in Canada than in United States, though in both countries they are still very considerably below the average for 1926 which is 100 on the chart.

Background of Business

Motor Output Down

For the first month in the last 12, November production of automobiles in United States was down. Preliminary figures indicate total factory output for United States and Canada of 390,000 instead of the half million vehicles actually planned. This compares with a total of almost 406,000 for November, 1936. Further decrease in December is expected unless retail buying orders substantially improve. While the Canadian picture does not exactly parallel that of United States, dealers here report some tapering of orders recently. Sales during the Montreal and other later district shows did not live up to the records established at the national show in Toronto. Total production for the whole of 1936 is expected to be higher than a year ago and volume for the first ten months, that is until the introduction of the new models, was the best for Canada and United States in the last eight years.

• • •

Gasoline Prices

Gasoline prices in Canada show a very wide fluctuation, the difference of course being largely explained by the distance of the centre concerned from pipelines or refineries. Generally, the Maritime and the Prairie Provinces pay the higher prices with the lowest figures prevailing in Ontario and Quebec. Provincial taxes vary from six cents in Ontario, Alberta and Quebec to a high of 10 cents in Prince Edward Island. Recently the Canadian Press made the following survey of prices in the leading cities in the Dominion:

Gasoline Prices
(Per gallon including tax)

	Standard	Ethyl	Provincial tax
Charlottetown	30	35	10
Saint John	28	30	8
Halifax	28	29	8
Three Rivers	26	29	6
Quebec	25	29	6
Montreal	18.8	26	6
Toronto	24.5	26.5	6
Winnipeg	27	33	7.5
Regina	29.5	35	7
Saskatoon	32.3	37.3	7
Calgary	25.5	31	6
Edmonton	29	35	6
Vancouver	27	29	7

• • •

More Tomatoes

Canadian Canners packed about 2.7 million cases of tomatoes this season, according to an estimate by Canadian Grocer. This amount, it is stated, would seem rather large were it not for our growing export trade. Should three-quarters of a million cases be exported, or even a million, as some think, surplus over and above average consumption of approximately 1.8 million would disappear. Low prices to consumer, too, are likely to stimulate consumption. The pack is estimated at approximately 400,000 cases above last year. Tomato juice pack is believed to be about the same as a year ago.

• • •

Feeding Saskatchewan

To date under the Federal Government relief scheme almost 300 carloads of eastern produce have been shipped to the dried out areas of the West. Total movement is estimated at slightly over 600 cars. Authorities are rushing perishable stuff, such as fruit and vegetables first, in order to escape serious frost damage.

Foodstuffs are made up in straight car lots and usually shipped to Regina where they are broken up for reshipment to the local areas. Fruit, vegetables and cheese have come from Quebec and Ontario; fish and fruit from the Maritime Provinces. Some feed, particularly corn, has been purchased in the midwestern States and will go direct, duty free, from there.

• • •

Retail Trade Employment

In so far as employment in the distributing industries is a gauge as to the volume of business done there has been no falling off in retail activity in Canada this year. On the other hand recently there has been a noticeable decline in employment in wholesale trade business which may indicate some recession later.

Indices compiled by the Dominion Bureau of Statistics show that up to October of this year only once has the present rate of employment in retail trade been exceeded and that by only a fraction of a point. In the wholesale industry on the other hand October employment of 115.8 was the lowest since June although well above the latter months of 1936 and the earlier month of the current year.

Details are as follows:

TREND OF TRADE EMPLOYMENT
D.B.S. Indices (1926=100)
Seasonally Adjusted

	Retail	Wholesale	Combined
1936:			
Sept.	136.1	111.1	127.2
Oct.	138.0	111.5	129.1
Nov.	139.2	111.8	130.2
Dec.	139.0	112.8	129.0
1937:			
Jan.	134.4	112.8	129.5
Feb.	138.6	113.0	131.1
Mar.	136.0	114.5	130.5
Apr.	137.7	114.8	131.3
May	136.4	114.9	130.4
June	139.6	116.0	132.8
July	140.5	116.6	133.5
Aug.	142.1	117.2	133.8
Sept.	140.3	116.6	131.3
Oct.	141.7	115.8	132.9

Foreign Business

United States Department of Commerce summarizes foreign business as follows:

Argentina—Some hesitancy appeared in business and industry as a result of reports of frost damage to new crops.

Brazil—Following uncertainty, attendant upon revision of government policies on coffee and exchange, business sentiment now optimistic, with merchants looking for trade revival.

Uruguay — Disappointing movement of new wool season has adversely affected commercial sentiment, although agricultural outlook is excellent.

Chile—Trading activity, engendered by rising prices and optimism, has flattened out, leaving merchants with a heavy inventory of goods.

Bolivia — Sharp decline and violent fluctuation of tin prices have disturbed business, but exchange rates relatively steady.

Peru—General commercial movement in November indicates further sagging.

Ecuador—Decreases in coffee and cacao prices in world markets, together with uncertainty over the future, have affected business unfavorably.

Cuba—Declining price levels, and in some cases heavy stocks, are adversely influencing the import buying trend, but it is expected that general business will improve with opening of the approaching sugar-grinding season.

Jamaica—Some export price declines from the former comparatively high levels of this year occurred in November, but trade conditions remained generally favorable.

Dominican Republic—Coffee and cacao price slumps, coupled with lack of demand, have given an unfavorable outlook to business, and collections are unsatisfactory.

British Guiana—A slight rise in exports has occurred, and hopes have been expressed that a good holiday trade may bolster business sentiment.

El Salvador — With the recent sharp decline in coffee prices, commerce is marking time on an aspect of watchful waiting, pending more settled market conditions.

WHEN Mrs. Charles Morgan is wearing coral finger nails to contrast with her deep brown sables . . . when Miss Peggy Pell, debutante, is seen dancing at Pierre's (the advertisements say) in ruby faille with nails tinted clover . . . protests of mere men against highly-coloured nails dwindle to feeble futility.

It was more than two decades ago that Northam Warren began to lift smartly groomed nails out of the luxury class. First came Cutex Cuticle Remover. Then liquid polish, colorless but sparkling. And then, tinted nails. Suddenly fingertips became gay, glamorous.

Husbands might mock, fathers chide . . . but the vogue caught feminine fancy . . . became a fixed part of woman's adornment. Now tinted nails are the accepted fashion among smart women everywhere. And the Cutex sales curve has a gratifyingly steep upward slant!

The reason? Cutex *itself* has something that appealed to a basic feminine urge . . . the desire of every woman to appear at her best. Cutex *advertising* capitalizes this idea, links it with a never-failing appeal to "feminine logic" . . . what is approved by fashion leaders she may, nay *must*, adopt!

Advertising of Cutex manicure preparations has been directed by the J. Walter Thompson Company, Limited since 1930.

J. WALTER THOMPSON
Company, Limited

Serving 38 of Canada's leading advertisers, directing campaigns for these, among other products: LUX TOILET SOAP, ROYAL YEAST CAKES, GRAHAM-PAIGE MOTOR CARS, ODORONO, CANADIAN INDUSTRIES LIMITED PAINTS AND VARNISH, ORANGE CRUSH, SWIFT'S PREMIUM HAMS AND BACON, KRAFT CHEESE.

U. S. Newspaper Circulation Rises

Advance in Reader Interest Stimulates Use of Newsprint

From Our Own Correspondent

MONTREAL.—Circulation of Sunday papers at Sept. 30 shows a gain of 5.3% over the same date in 1936; morning papers record an advance of 4.9%, while evening papers made a gain of 4.3%.

These returns are derived from a survey of United States newspapers based on the publishers' statements to the Audit Bureau of Circulation and analyzed by Editor and Publisher.

The survey covers 112 cities in 46 states, including 151 evening newspapers, 108 morning papers and 142 Sunday editions.

Total circulations represented in the study among dailies, morning and evening together, amounted to 21,106,048 for the period ended Sept. 30, 1937, compared with 20,185,316 for the same period 1936. Total Sunday circulations amounted to 19,608,671 for the 1937 period, as contrasted with 18,623,480 a year ago.

Comparative figures on the 1937 circulation figures follow:

1937 Circulation Survey in Figures

Type of paper:	Aggre. circ. Sept. 30, 1937	Aggre. circ. Sept. 30, 1936	% gain over 1936	% gain over 1929
108 morn.	9,940,264	9,479,639	4.9%	11.3%
151 even.	11,165,784	10,705,677	4.3%	4.2%
Morn.-eve.	21,106,048	20,185,316	4.6%	6.9%
142 Sunday	19,608,671	18,623,480	5.3%	17.4%

Japan's Conquest May Cut Trade

U. S. Observer Fears Results of Aggression in North China

Shrinkage in world trade with the Orient is to be expected if Japan is allowed to consolidate and hold its gains in North China, according to John R. Stewart, writing in the far-eastern Survey of the American Council, Institute of Pacific Relations.

In the five and a half years since Manchoukuo, formerly Chinese Manchuria, was established, Mr. Stewart finds that the open door has been a one-way passage only—outward. Foreign trade, commercial enterprise and investments other than Japanese, he says, have been substantially reduced. With one or two unimportant exceptions, foreign capital has not shared in the development boom, for Japan has taken itself a practical monopoly of Manchurian developments. Japan now supplies practically three-fourths of Manchurian imports. Mr. Stewart further comments:

"The unfavorable experience of foreign trade and foreign interests in Manchuria has a direct bearing on the situation that is developing in North China. Foreign interests in that area are larger than they were in Manuchuria; yet can they hope for any better treatment? It may be questioned whether Japan has sufficient capital to undertake the development of North China."

Bankruptcies

The Canada Gazette reports meetings of the creditors in the matter of:

Alberta
Wiltse, F. L., Consort.
New Deal Co-op. Store Ltd., Edmonton.

British Columbia
Crescent Canadian Shows Ltd., Penticton.
Standard Tent & Awning Ltd., Vancouver.

Manitoba
McDiarmid Ltd., A. R., Brandon.
Remillard, N., St. Joseph.

Nova Scotia
Pineo Ltd., K. L., Kentville.

Ontario
Dawson-White Gold Mines Ltd., Toronto.
Roach, E., Orillia.
Georgetown Pharmacy Ltd., Georgetown.
Robertson, C. A., Toronto.
Veilleux, E. M., Rockland.
Kosower, G., Hamilton.
O'Connell Mines (1936) Ltd., Toronto.
Baker, G. L., Hamilton.
Bach, A., Toronto.
Patterson, F. V., Hamilton.
Baldwin & Co., C. M., Toronto.
Leitch, R., Twp. of Metcalfe.

Quebec
Desjardins, P., Knowlton.
Ferrous Metal Processors Ltd., Montreal.
Taylor, E., Montreal.
Kovacs, D., Verdun.
Corner Grocery Inc., Montreal.
Nakel, M. Berthierville.
Ralph, H. L. & E. J., Turgeon, Perron.
Seale, A. F., Shigawake.
Globe Shoe Co., Ltd., Montreal.
Hislop, B., Montreal.
Eastern Canada Trading Co. Ltd., Montreal.
Wallace Sandstone Quarries Ltd., Montreal.
Simon Shoe Co. Ltd., Montreal.
Rivard, L., Montreal.
Roberge, P. E, Bagotville.
Robert, L., Quebec.
Chartier, A., Montreal.
Warren, R., Pointe a Pic.
Vaillancourt, J. A., Montreal.
Zarbatany, F., Montreal.

FACTORS OF STRENGTH IN HIGH-GRADE BONDS

Our December Investment Letter discusses several of the constructive features which have taken place and now provide a stable foundation for the high-grade bond market. A copy of this letter will gladly be mailed upon request.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO

Montreal Winnipeg Vancouver Victoria New York London, Eng.

McLEOD, YOUNG, WEIR & CO.
LIMITED

INVESTMENT SECURITIES

TORONTO
Metropolitan Building

OTTAWA — Ottawa Electric Building
LONDON — Richmond Building
MONTREAL — 231 St. James Street
HAMILTON — Spectator Building

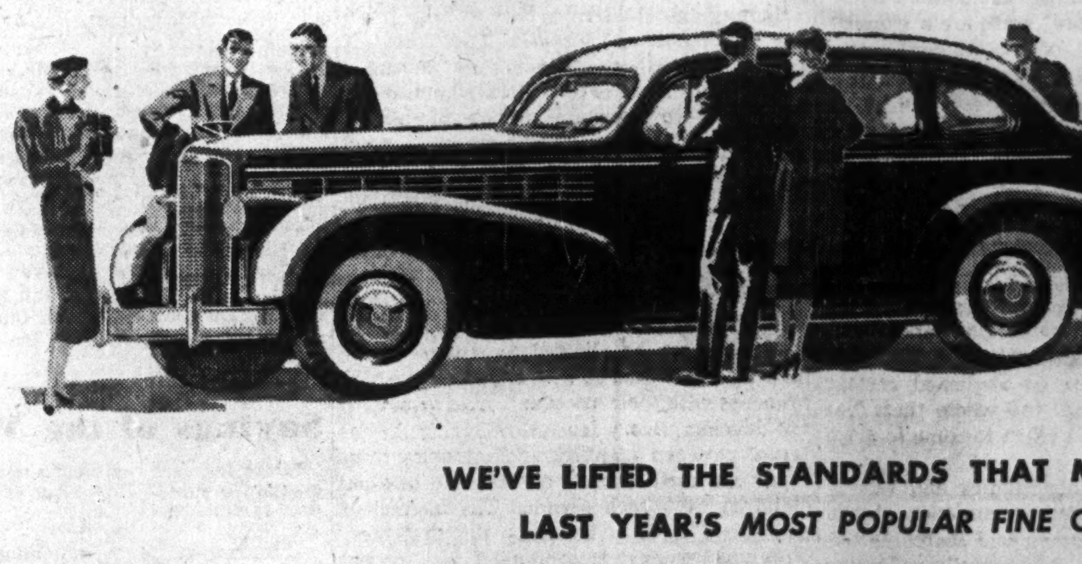
Correspondents in New York and London, England.

For Office Equipment that Satisfies
Desks, Chairs, Files, Safes, Lockers, Steel Shelving, Partitions, Lockers, Matched Suites, Filing Supplies.

THE OFFICE SPECIALTY MFG. CO.
LIMITED
Home Office and Factories—NEWMARKET, Ont.
Branches in principal Canadian cities.

NOW LOOK AT LA SALLE

CADILLAC QUALITY THRU AND THRU



DID YOU EVER DREAM OF SUCH SIMPLICITY IN SHIFTING GEARS?
Located at your fingertips on the steering column, the new Syncro-matic Gear Shift operates exactly as the old lever that took up so much floor room! The new *ease of control* it gives you is almost miraculous!
A GENERAL MOTORS VALUE

WE'VE LIFTED THE STANDARDS THAT MADE IT LAST YEAR'S *MOST* POPULAR FINE CAR

Last year, discriminating motorists voted LaSalle V-8 the perfect embodiment of everything they ever hoped a fine car could be—ultra-smart, fleet, fine-performing, and luxurious in every minor detail.

Yet the *new* LaSalle is a far more beautiful car. It has been bettered, refined and remarkably improved.

All through this LaSalle V-8—Cadillac has lifted the standards that made LaSalle last year's most popular fine car. Everywhere you find just what you would expect in every new Cadillac-built car—the highest quality, the finest craftsmanship, beauty and luxury without stint.

And you find something more. By Cadillac standards, nothing is right until it is *economically* right. That's why you will find the *newest* and *finest* LaSalle V-8 also the world's *most economical* fine car! See it—today!

CAD-38

SEE AND DRIVE THE NEW CADILLACS AND LASALLES AT YOUR NEAREST DEALER'S SHOWROOMS.

Bowater Plan Again Delayed

Nfld. Seeks Views on Concessions Sought by Company

From Our Own Correspondent

MONTREAL. — Final disposition of the proposal for establishment of a $6 millions sulphite pulp mill in Newfoundland's Gander area by the Bowater-Lloyds Co. of London, has been deferred pending further study of the project by the Commission of Government in the light of opinion and advice invited from the public.

Further study has been facilitated by extension of options taken by the company on lands and development rights of the Reid interests, beyond the original deadline set for the middle of November. Some modification of the published tentative agreement between Bowater-Lloyds and the Government may result.

Under the tentative agreement, subject to final approval on both sides, mill is to have a capacity of 226 tons daily, and cost $6 millions. Full time payrolls for mill workers would total about $350,000, with loggers' wages approximately $575,000 yearly.

Want Export Rights

The Bowater Co. would be granted the right to export unmanufactured pulp wood equal to three-quarters of the mill's capacity in addition to 120,000 cords under short-term agreement now in force.

With the exception of a few of the old Reid Development Co. holdings, the company would be subject to income tax regulations and would be given several concessions on customs duties on equipment and construction material.

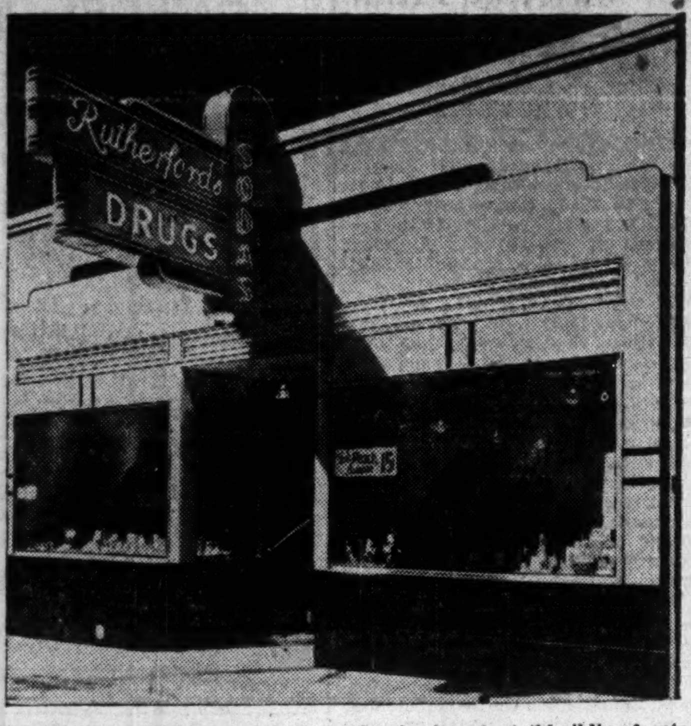
The plan also would provide for operations in Labrador, where 3,000 miles of timber-land would be leased at $2 a square mile, with royalties to be paid on the wood exported.

In some quarters it is contended that the company should be given the right to export only a limited amount of wood, while the royalties and stumpage dues should be on a comparative basis with those in force in the Canadian provinces. There is also objection to the proposed granting of power development rights.

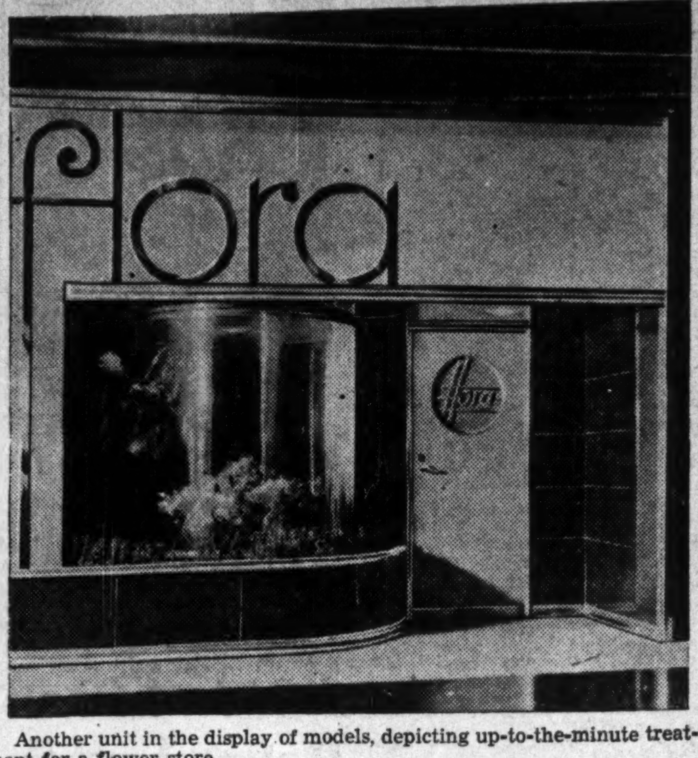
Edmonton Building

Building permits for the month of October at Edmonton amounted to $140,940, compared with $41,900 in the same month last year.

Transformations in Glass

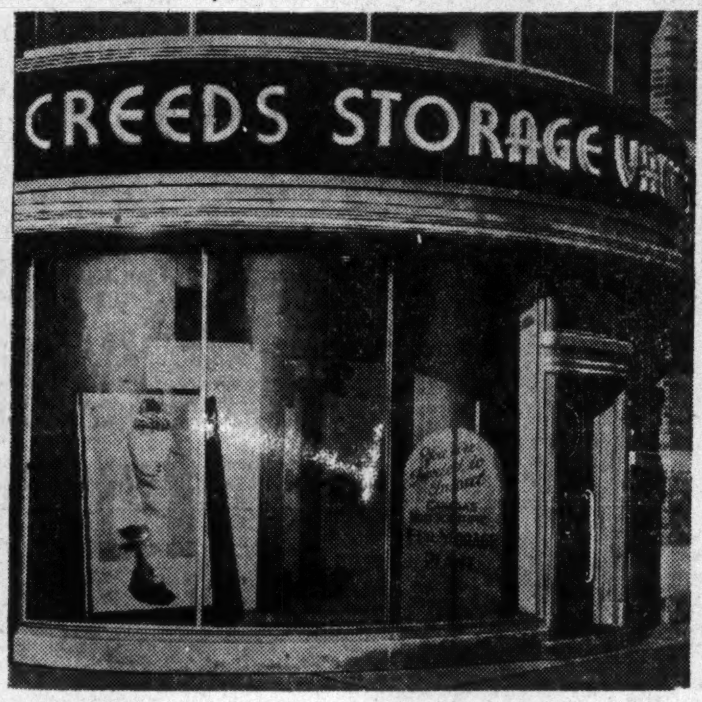


Extensive use of glass products in modernization of retail building fronts is illustrated by this Toronto drug store.



Another unit in the display of models, depicting up-to-the-minute treatment for a flower store.

This hat shop design is one of the models used by W. E. Phillips Co., Oshawa, to promote use of glass products in commercial building fronts.



The facade of this fur store, built entirely of glass, reflects current trends in design and choice of materials.

New Building Now Houses Royal Trust

Move of Toronto Office Marks Latest Step in Growth

Toronto offices of The Royal Trust Company, of Montreal, were established this week in the newly completed Royal Trust Building, a distinctive addition to office accommodation in downtown Toronto. The building is at 66 King Street West.

Transfer of the vast quantity of records, securities, supplies and equipment was accomplished in a single process during the week end. The plan enabled the company to carry on at its old offices, in the Crown Life Building on lower Yonge Street, until the close of business on Saturday, and be ready for business early Monday morning in its new quarters.

The specially designed accommodation in the lower portion of the Royal Trust Building affords 50% more space than was available in the premises vacated for the offices, vaults, records rooms and other facilities. In addition, the construction and equipment of the new offices embody the latest principles of design, decoration and servicing. Air-conditioning for both summer and winter use, heating controlled for varying demands, insulating construction, acoustic treatment of executive offices, planned layout of accommodation for the various departments, and modern decoration in simple lines and soft colors, are among the features.

Royal Trust Offices

The basement and first three stories of the 10-story building are occupied by the Royal Trust. In the basement are locker and washrooms for the staff, mail dispatch and messengers' room, safety deposit boxes, securities vaults, and clerical section of the bond department.

On the first or ground floor are located the simply designed, but impressive rotunda, the bond department management, and the investment, real estate, securities and mortgage departments. R. L. Crombie, Toronto manager; the assistant manager, and the office superintendent and his associated executives occupy offices on the second floor, which also accommodates the transfer department and the handsomely furnished meeting room for the Toronto advisory board of the company.

The third floor is occupied by the estates and bookkeeping departments, together with the addressograph department. Keeping of all records is done entirely by machine, abolition of hand-written records making for greater speed, accuracy and facility of checking, in addition to enabling the staff to keep records currently abreast of operations. Telephone communication both between departments within the offices and to points outside the building is entirely automatic.

Acoustic Treatment

Dominant color tones are pale cream, painted in executive sections of the offices over Hessian cloth walls, and variations of pale green tints. Acoustic treatment of a number of rooms has been effected by use of a special type of ceiling plaster. Employment of large-size glass brick of a new type in the front walls of the first two floors not only ensures better-than-average lighting, but insulates offices against both extremes of outside temperature and street noises.

The Toronto premises from which the company has just moved had been occupied for more than 20 years. The first Toronto office was established in July, 1907, in a small backroom of the Bank of Montreal building at Yonge and Front Streets. The staff at that time consisted of M. S. L. Richey, who died recently in California, and G. T. Bogert, now superintendent of branches at the company's head office in Montreal. Rapid expansion of business forced successive moves, first to premises at Queen and Yonge Streets, and later to the now vacated Crown Life Building.

The late Mr. Richey continued as Toronto manager until 1915, being succeeded by Bruce L. Smith, brother of the late R. Home Smith, well-known in Toronto as a financier and realty developer. On his retirement early this year, Mr. Smith was appointed member of the company's Toronto advisory board and was succeeded by R. L. Crombie, formerly an assistant manager at Montreal head office.

Abuse? – Misuse? – Disuse?

A FOOT sometimes seems to break down all at once. The pain may be sudden but the breakdown almost always is gradual. Foot troubles, like ailments in other parts of the body, can usually be traced back to their sources.

If you have pain in your foot, you need the advice of your doctor or an orthopedist, who specializes in preventing and correcting foot and other deformities. He will endeavor to determine whether your foot has been subjected to abuse, misuse or disuse and will prescribe the best treatment for its present condition.

Abuse of the feet is largely a matter of ill-fitting shoes—too short, too narrow, too pointed, too high-heeled, too thin-soled, or with soles that are not flat but have a rocker-bottom appearance. A too-short stocking may also be responsible for foot trouble.

Misuse commonly means walking, standing or running with the toes pointed out instead of straight ahead. It also means throwing the weight of the body on the inside of the foot.

Disuse is insufficient exercise, causing the feet to grow weak. When the feet are not properly exercised, the muscles supporting the arches often become weakened until the bony framework sags and the feet are nearly flat.

It is almost impossible to maintain good posture if one has deformed or weakened feet. Bad posture usually forces the vital organs of the body out of proper position and may lead to poor general health.

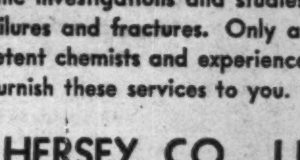
If you are having difficulty with your feet, consult your doctor who will advise about treatment, or may recommend seeing an orthopedic specialist. You may need a different type of shoe, or special foot and leg exercises, or some particular kind of arch support.

The joys of outdoor life, the pleasures of sightseeing, the benefits of walking, and the enjoyment of athletic sports are only for those who have sturdy, dependable feet.

The Metropolitan booklet "Standing Up to Life" presents useful foot exercises and contains valuable information on the care of the feet and on how to select shoes that fit. A postcard will bring you a free copy. Address Booklet Department 12-F-37 Canadian Head Office, Ottawa.

METROPOLITAN LIFE INSURANCE COMPANY
NEW YORK

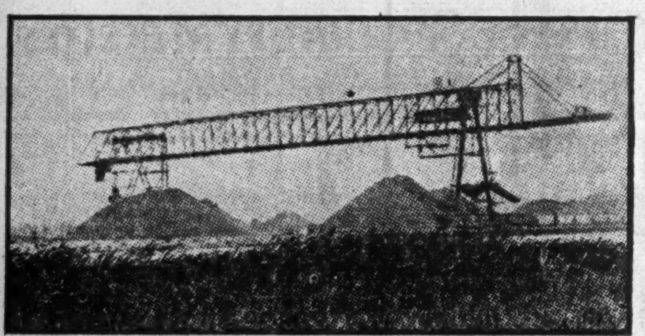
FREDERICK H. ECKER, Chairman of the Board



LEROY A. LINCOLN, President

CANADIAN HEAD OFFICE—OTTAWA

SERVING CANADA SINCE 1872



BUILD WITH STEEL . . . because of its advantages — Strength, Security, Speed, Economy, Adaptability and Compactness. The Hamilton Bridge Company is equipped to render the highest type of service on Steel Fabrication and Erection. When Plain Angles, Beams, Channels, Plates and Bars are required quickly, call the Hamilton Bridge Company.

HAMILTON BRIDGE COMPANY LIMITED
HAMILTON CANADA

NATIONAL STEEL CAR Corporation Limited

Modern Builders of Railway Passenger Cars—Freight Cars—Street Cars—Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames and Parts—Steel Pressings—Forgings—Drop Forgings.

Manufacturing Agents for LaPlant-Choate Mfg. Co. Inc., Cedar Rapids, Ohio, leading manufacturers of tractor equipment for earth and snow removal.

HAMILTON, ONTARIO, CANADA

437 St. James Street
MONTREAL

Construction

Construction Outlook For Winter is Bright

Volume of Uncompleted Work and Projects Contemplated at Highest Level in Five Years — Spring Prospects Good

Accelerated pace of construction activity so far this year will be extended throughout the winter months into next spring, according to indications in the latest monthly bulletin of MacLean Building Reports.

While the momentum of increased operations in the construction industry showed a distinct slowing down in November, the outlook for the next few months is encouraging. The bulletin says:

"There is under way at the present time a larger volume of uncompleted work to carry over the winter months than at any time during the past five years, in addition to a greater number of contemplated projects which would indicate a greater activity next spring."

Contemplated Work

The total of projects listed as contemplated new construction in the bulletin is set at $383.6 millions for the first 11 months of 1937, compared with $245.1 millions for the same period last year, an increase of 56.5%. Value of projects contemplated during November is estimated at $26.9 millions, compared with $13.9 millions in November, 1936.

Slackening of actual operations during November was indicated by figures on contracts awarded, which not only reflected a substantial seasonal recession in comparison with October but showed a gain of only 6% over November, 1936. In October, total of contract awards was 35% ahead of October, 1936, and the cumulative total for 10 months was 39% ahead of the same period last year. At the end of November, the cumulative gain had dropped back to 36%.

Contracts awarded in November were valued at $14.7 millions; November, 1936, at $13.8 millions; and in October, 1937, at $20.1 millions. The cumulative total for 11 months this year is reported at $213.3 millions, compared with $156.5 millions in the parallel period of 1936 and $119.7 millions in 1934.

The limited extent of the increase in November's total in relation to the same month a year ago appears to have been due principally to a drop of approximately $1 million in business building operations, a decrease of roughly $600,000 in engineering construction, and an easing in the public works field. At the same time, residential construction was well maintained, and there were slight increases in volume of contracts for theatres and public buildings, and for industrial construction.

In relation to October, 1937, all types of construction showed a drop in November, though the decrease in the total was partly due to the large amount of government hospital construction initiated during October in Ontario.

Construction Contract Awards in Canada

	November, 1937 No.	November, 1937 Amt. in $	October, 1937 No.	October, 1937 Amt. in $	November, 1936 No.	November, 1936 Amt. in $
Apartments	31	484,600	22	336,400	23	409,000
Residences	1,534	3,833,500	1,723	4,529,800	1,165	3,803,000
Total residential	1,565	4,318,100	1,755	4,865,200	1,188	4,212,000
Churches	28	142,100	28	314,400	22	90,000
Public garages	101	357,100	92	468,100	80	231,100
Hospitals	12	133,700	16	2,550,500	4	255,200
Hotels, clubs	46	170,100	32	136,500	24	114,000
Office buildings	30	232,300	48	223,000	38	274,800
Public buildings	68	1,166,800	57	864,100	49	744,600
Schools	20	158,300	28	676,700	13	146,200
Stores	158	551,400	174	494,700	120	314,000
Theatres	16	363,900	11	115,000	14	265,500
Warehouses	70	431,700	88	495,800	48	301,000
Total business	549	3,707,400	554	6,398,800	412	2,736,400
Total industrial	108	1,328,000	104	2,204,800	92	975,400
Bridges	11	162,100	13	171,200	6	864,000
Dams, wharves	12	228,600	13	121,400	14	1,209,300
Sewers, watermains	28	555,400	20	374,800	16	115,200
Roads, streets	46	904,500	56	1,082,500	61	1,100,700
General engineering	45	3,512,200	54	4,970,200	59	2,627,400
Total engineering	142	5,362,800	156	6,700,100	156	5,916,600
GRAND TOTAL	2,364	14,716,300	2,569	20,169,900	1,848	13,840,400

Total Awards First 11 Months

	No.	Amt. in $		No.	Amt. in $
1937	25,777	213,293,100	1935	18,169	155,940,100
1936	20,190	156,469,200	1934	15,925	119,749,300

Construction World

Glass Facades

One of the most interesting phases of the past year's revival of construction activity has been the increasing trend toward modernization of the front aspects of retail stores and other commercial buildings. This has been accomplished not only through resort to advanced types of design, but also through employment of construction materials developed in recent years. Notable among the materials being used with increasing frequency are the various forms of structural glass, including glass bricks or blocks and slabs of highly polished glass composition available in a wide variety of colors. Some examples of the effects that can be created are pictured elsewhere on this page.

* * *

Works Programme

Appropriation of $1.4 million has been voted by the city council of Montreal for the initiation of various public works. The programme includes a trunk sewer, roadway improvement to eliminate a traffic bottle neck on tthe outskirts of the city, and reconstruction of a reservoir.

* * *

Long-range Programme

The long-range programme recently advocated by G. G. McGeer, M.P., and former mayor of Vancouver, for development of Vancouver as a focal point for tourist and convention traffic, calls for ambitious development and construction projects. Among them are early completion of the C.N.R. hotel, construction of an auditorium and open air amphitheatre, development of Capilano Canyon as a park area, and of other beach and park facilities, and a 10-year plan of new highway development and extension of existing roads.

New Building

Provincial Transport Ltd., has awarded general contract for erection of the $125,000 motor coach terminal planned for downtown Montreal.

Trans-Canada Airways, has awarded contract for construction of hangar, office and machine shop buildings at Stevenson Field, Winnipeg, at approximate cost of $175,000.

Globe Printing Co., Toronto (The Globe and Mail), has obtained $1 million final permit covering superstructure of its new publishing and office building, now well under way toward completion in downtown Toronto.

Imperial Oil Ltd., has launched an $850,000 programme of improvement and expansion of facilities in the west, of which $350,000 is being spent on equipment and alterations at the Regina plant, and the remainder to be spent at Calgary. The plan is designed to permit handling of a larger volume of Turner Valley oil.

Foundation Co. (Quebec) Ltd., has commenced preliminary work on the $542,000 contract from the National Harbors Board for reconstruction of the Alexandra Pier at Montreal. Full operations will get under way when **Dominion Bridge Co.** completes the structural steel caissons.

Lake St. John Power Deposits Plans for Dam

From Our Own Correspondent

MONTREAL. — Lake St. John Power and Paper Co. has deposited plans with the Quebec Government covering the proposed construction of a logging dam on Lake Aux Rats River at the outlet of the Lake Aux Rates in townships of Antoine and Pelletier, Roberval County.

CHEMISTRY and the Specialty Steel Trade

Analyses of special tool and other steels, tensile tests, Brinell and Rockwell Hardness tests, microphotographic investigations and studies. Examinations of failures and fractures. Only a laboratory with competent chemists and experienced metallurgists can furnish these services to you.

MILTON HERSEY CO., LIMITED
Industrial Chemists, Engineers and Inspectors
MONTREAL - WINNIPEG

Montreal Apartments Modifies Sinking Fund

From Our Own Correspondent

MONTREAL. — Holders of Montreal Apartments Ltd. 5½% first mortgage bonds have approved sinking fund modifications.

Modification of the trust deed provides that commencing in the current year sinking fund payments should amount to $40,000 annually plus an amount equal to the annual interest on bonds redeemed. However, these payments are to be made only to the extent that surplus revenue is available, unpaid balances being cumulative and payable out of surplus revenue in subsequent years.

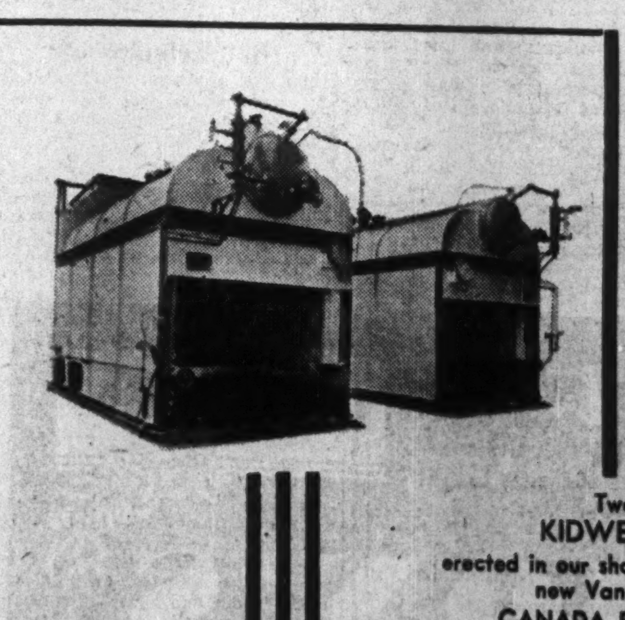
Conveying & Elevating Equipment
Modern Power Transmission Equipment
Coal & Ore Handling Bridges
Welded Processing Equipment
Steam Generating Equipment
Inquiries Invited

UNITED STEEL CORPORATION LIMITED
TORONTO - WELLAND DODGE MANUFACTURING DIVISION CANADIAN MEAD MORRISON MONTREAL - WINNIPEG

OVER 3,000,000 F. B. M. "OSMOSE" treated timber used in Canada

OSMOSE WOOD PRESERVING CO. of Canada Limited

Head Office MONTREAL Castle Bldg.
TORONTO WINNIPEG, Man. VANCOUVER
ONTARIO CREOSOTING CO. LTD. — PORT ARTHUR, ONT.



Two 156 h.p. KIDWELL BOILERS erected in our shop ready for shipment to new Vancouver plant of CANADA PACKERS LIMITED

CANADIAN VICKERS LIMITED
HEAD OFFICE — MONTREAL
NEW GLASGOW WINNIPEG DRUMHELLER EDMONTON VANCOUVER

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Dominion Motors

What is the present position of Dominion Motors Ltd.?

Dominion Motors, Ltd., has been inactive since 1933. Activities since then have been confined to renting and otherwise disposing of the company's plant at Leaside. At present all available space is occupied. There appears little prospect of shareholders receiving anything substantial out of this company's liquidation as a bank loan of over $500,000 has a prior claim. Total assets were $687,311 at Mar. 31, 1937, while current liabilities amounted to $558,215. There was a deficit of $2.7 millions.

Canadian Breweries

What are the latest earnings figures for Brewing Corp.?

Brewing Corp. of Canada, Ltd. is now known as Canadian Breweries Ltd. The company's fiscal year ending Oct. 31 showed profits of $556,-690 compared with $117,111 a year ago, equivalent to $2.81 a share on preferred as compared with 72 cents in the corresponding period of 1936. Rate of dividend payments on the preference stock has been increased from $1.50 per share per annum to $2 a share with the payment made July 15, 1937. At that date arrears amounted to $4 a share.

B. A. Oil

What is the earnings record of B. A. Oil Co. and the prospect for this year?

British American Oil Co. Ltd. reported earnings of $1.41 a share on its common in 1936 compared with $1.10 in 1935. Of the 1936 profits, approximately 46 cents a share was received as dividends from the British American Oil Producing Co., a wholly owned subsidiary developing the production of crude oil in the U. S. To Oct. 1, 1937, earnings were distinctly higher than in the same period of 1936. The company showed net working capital of $8.8 millions at the end of 1936, the highest in its history. Ahead of the common stock is approximately $7.2 millions of debentures. The company's earnings have shown increases each year since 1932 and may reach a new high record in 1937.

Jones Bros. Bonds

What is the basis of exchange on Jones Bros. of Canada bonds and what are the new bonds worth on the market?

The Jones Bros. of Canada, Ltd., reorganization plan provided for formation of a new company, Jones Bros. Co. of Canada, to take over the business and assets. Bondholders were asked to exchange each $1,000 of old 6½% first mortgage bonds, due Nov. 15, 1936, for $500 of new 6½% first mortgage 20-year sinking fund bonds, plus 50 new preference shares of $10 par value and 20 new common shares of no par value. The old bonds were quoted some time ago at around $15 to $20 for a $100 bond. There would probably be a nominal valuation of around $300 placed on a bundle consisting of $1,000 of new bonds plus 100 new preference and 40 new common shares.

Building Products

Some of my business friends have suggested an investment in Building Products Ltd. Would you be good enough to let me know what you think of this security?

Building Products at present is paying a regular dividend of 50 cents quarterly, plus extras. Sales for the first six months of the current year were reported to be running about 25% ahead of the like period in 1936, and expectations are that the statement for 1937 will show higher earnings than in 1936, when $2.24 a share was earned on the class A and B stocks. Financially the company occupies a strong position, with current assets of over $2 millions, as against current liabilities of $203,371. As regards its outlook, the company is in an excellent position to benefit from any further building programmes in this country, and financially it has all the working capital it needs for ordinary purposes.

Canada Malting

I should appreciate a brief report on Canada Malting Co

Canada Malting Co. earned $3.18 a share in the 12 months ended Dec. 31, 1936, and it is expected earnings this year will be at least as good. The company has declared a bonus of 50 cents a share, with the regular quarterly dividend of 37½ cents, both to be paid Dec. 15. This is the third consecutive year for a 50-cent extra. The company has benefitted from a substantial export market in recent years, principally to the United States but has always stressed the fact that this must be regarded as a temporary benefit. Because of the better crop of barley in the United States this year and lower prices, it now becomes apparent that some curtailment of this export business is likely. As some compensation, however, domestic business has shown an increase of about 10% this year as compared with 1936. The company has adequate working capital. The only capitalization is 196,972 common shares of no par value

Page-Hersey Tubes

Can you outline the present position of Page-Hersey Tubes?

Page-Hersey Tubes, Ltd., earned net profits equivalent to $4.25 a share in 1936, as against $3.68 a share in 1935. Dividends so far this year have been paid on the basis of $1 a share quarterly, an increase from 1935 and 1936 of 75 cents per quarter. Financial position is extremely strong with cash and call loans more than twice total current liabilities at the end of 1936. Domestic sales increased satisfactorily last year due largely to demands of the mining fields of Ontario and Quebec rather than through a revival of the building industry. Building so far this year has shown an increase of 36% in contracts awarded as compared with last year. This should indicate that the company's earnings would be on a better scale.

Ford of Canada

What is the present position of Ford Motor Co. of Canada Ltd., compared with last year?

Ford Motor Co. of Canada earned $2.02 a share on the combined class A and B stock in 1936, compared with $1.17 in 1935. It is reported that production for the six months ended June 30, 1937, was approximately 30% higher than for the corresponding period of 1936. Net earnings, however, did not increase proportionately due to higher production costs but it is expected they were higher than for the same period of last year. Expansion of facilities in Canada, Australia, New Zealand and South Africa was undertaken this year to increase capacity by 25%. The company has placed its stock on a regular dividend basis of $1 a share annually.

Fanny Farmer

Could you give me a summary of the position and outlook for Fanny Farmer?

Fanny Farmer Candy Shops, Inc., reported profits of $558,597 for the ten months ended Oct. 31, 1937, an increase of $134,175 over the corresponding period of 1936 or approximately 32%. This increase in profit was obtained, although sales rose only 18%. The company increased its regular dividend rate to $1 a share this year and also paid a bonus of 25 cents a share on Oct. 1. It has been expected that a regular dividend rate of $2 a share would be established for 1938. Net profits in 1936 were equivalent to $1.50 a share and estimates of 137 earnings are given as approximately $2.40 a share. The company operates in the United States under approximately the same management as Laura Secord in Canada. At the end of Nov., 1937, 216 stores were in operation and it is planned to continue expansion. The current business recession in the United States may affect Christmas season sales as the company's product is somewhat of a luxury line and might be among the first to be affected.

W. E. & L. S. Bonds

What is the present situation with regard to bonds of Windsor, Essex and Lake Shore Electric Railway Association?

Windsor, Essex and Lake Shore Electric Railway Association is likely to be wound up as soon as the trustees can dispose of all assets, though this may take some time. Bondholders have meanwhile elected T. R. Harrison, N. J. Robinson and W. A. Woodcock, all of Toronto as a committee to look after their interests. Guaranty Trust Co. of Canada, Windsor, acting as trustee for the bondholders, has sold most of the physical assets of the Association and about $100,000 has been realized. The chief remaining asset is $1.1 million of bonds of Windsor, Essex, Kingsville, Leamington and Sandwich West, Sandwich East, Sandwich South, Gosfield North and Gosfield South which are held as collateral for $1 million of the Association's bonds. Some of these municipalities are still in default and it will be necessary to wait until they have been refinanced. Refinancing plans for Kingsville and Leamington tentatively allow for the exchange of new municipal bonds for old, on a par for par basis, and settlement of some of the back interest in cash. Settlement plans for the other defaulting municipalities may be delayed for some time as their financial position is still somewhat uncertain. Until their plans are announced, it is difficult to forecast what proportion of principal and back interest will be available for the Railway Association bondholders.

Loblaw

How do Loblaw Groceterias earnings this year compare with last year and what is the status of the shares?

Loblaw Groceterias Co. reported profit of $371,318 for the 24 weeks ended Nov. 13, 1937, an increase of $19,525 over the same period of 1936 or 5.55%. Net profits for the year ended May 31, 1937, are $1.33 a share on the combined class A and B stock, highest in the company's history. Regular dividend on each class of stock is $1 a share annually and an extra of 12½ cents a share was paid on Dec. 1. The company operates 112 stores in Ontario and also has an interest in Loblaw Groceterias Inc., operating a chain of 83 stores in the United States. Its record of efficient operation places it in the forefront among chain store securities in Canada.

Steel of Canada

As a subscriber to The Financial Post I would like to have your opinion on Steel Co. of Canada common. What dividend is the company paying?

Steel of Canada is one of the outstanding iron and steel enterprises in the Dominion. The company enjoys good management, and its record of operations and earnings over a period of many years has been consistently favorable. The company is now paying a regular dividend of $1.75 a share on the ordinary stock, and has been paying extras in order to equalize the dividends on the ordinary shares and the preference shares. Last year the company earned $5.29 a share on ordinary stock, and expectations are that the 1937 statement will show equally good earnings. As far as can be determined, at this time, there has been no serious let-up in the volume of business handled by the Canadian iron and steel industry. Last month, Ross H. McMaster, president, stated that steel ingot production continued to engage full manufacturing capacity at the company's plants. The backlog of unfilled orders has been sustained in some lines, though lower in others. However, at the time, he anticipated that operations would continue at a high rate over the remaining months of the year.

F. N. Burt

Please give me a report on F. N. Burt Co., Ltd.

F. N. Burt Co. manufactures paper boxes, cartons and other paper specialities. Plants are at Buffalo and Toronto. Earnings per share on the common were $1.77 in 1936, a decrease from $1.92 in 1935. Dividends of $2 a share in the common were paid in 1936, this rate having been established in 1933. The company has reported deficits in each of the last six years after payment of dividends but an ample working capital position and large surplus account have enabled it to continue payment somewhat in excess of earnings. The company has an important investment in class B preferred stock of Moore Corp. which is carried on the balance sheet at $443,378 but had a market value of $1.7 millions at the end of 1936. With most of its business done in the United States, F. N. Burt Co. has suffered from the recession in that country recently. In Canada a good level has been maintained.

Imperial Tobacco

We are considering making a small investment in Imperial Tobacco of Canada Co.'s stock and would like to have your opinion on this security.

Imperial Tobacco is by far the largest manufacturer of tobacco products in the Dominion and it has attained a high degree of stability. There is little or no speculative interest in the ordinary shares, so that the market value shows little fluctuation from year to year. From 1915 to date, there has been a steady increase in the dividend payments on the ordinary shares and at present the yield in relation to market value is considered attractive in view of the high investment qualities of the stock.

Bell Telephone

We will appreciate your giving us your opinion on the capital stock of the Bell Telephone Co. of Canada.

Bell Telephone Co. of Canada's capital stock is regarded very favorably as an investment medium and at current rate of dividends the stock returns a satisfactory yield. The record of this company since its inception in 1880 has been one of consistent expansion, with earnings on a relatively stable basis. Except for the period 1932-36 the company paid a dividend of 8% annually since 1891. From 1881 to 1890 dividends were paid every year, though the rate ranged from 2% to 8%, with an average of between 5% and 6%. Currently operations are on a satisfactory basis and expectations are that the statement for 1937 will show an increase in earnings over 1936 when $6.94 a share was reported. Financially the company has recovered practically all ground lost during the depression years and the outlook continues favorable.

Goodyear Tire

What is the outlook for Goodyear Tire and Rubber Co.?

Goodyear Tire and Rubber Co. of Canada reported at Oct. 1, 1937, that sales and earnings had continued to show satisfactory increases and that dividend requirements on both the preferred and common have been more than covered from profits. At that time it was stated prices had been increased slightly to meet higher costs of raw materials and prospects for the balance of the year were favorable. It is known that prices of rubber and cotton, the company's chief raw materials, have declined sharply in recent months and are now much below levels reached at the end of last year and early this year. This will undoubtedly have some effect on the company's profit but it is probable they have provided ample reserves to care for such fluctuations in inventory valuations. If present lower prices for rubber and cotton continue and prices for finished products remain at current levels, the outlook for profits next year should be excellent providing that there is no serious business recession. Net profits in 1936 were equivalent to $4.73 a share on the common on which dividends of $2.50 a share were paid. An extra dividend of $2.50 was paid at the first of this year. The company has ample working capital to care for its needs.

Inter. Paints (Canada) Pays 25 Cents on Arrears

MONTREAL. — International Paints (Canada) Ltd. has declared a regular dividend of 5% for the 12 months ended September 30, 1937, and an additional dividend on account of arrears of 1¼% or 25 cents a share, on the new 5% cumulative participating preferred stock. Both dividends are payable on December 31 to shareholders of record December 9.

A year ago, the company declared a dividend of 3¾%, plus an additional 1¼%, making $1 a share in all.

GENERAL MANAGER

H. A. Scott, new vice-president and general manager of Canadian Toledo Scale Co. Mr. Scott has been office manager at Toronto, eastern division manager at Montreal and general sales manager. He is a native of Grand Valley, Ont.

Mont. Power Output Up 8.8%

Gain in Electricity Sales, But Gas Output Still Drags

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consolidated reports an output of electricity for consumption in the Montreal area during November totalling 106,246,-510 kw.h. compared with 98,722,690 kw.h. in the same month last year. Both figures are exclusive of secondary and export power.

Cumulative output of electricity for the 11 months ended November totalled 1,052,816,990 kw.h., compared with 967,856,500 kw.h. for the like period in 1936, an increase of 8.78%.

The company's gas division reported an output in November this year of 406,112,000 cubic feet. This compares with 417,568,000 cubic feet for the same month last year, a decrease of 2.74%.

Comparative output of gas for the 11 months period in 1937 and 1936 was 4,582,727,000 and 4,746,015,000 cubic feet, a decrease of 3.44%.

McCormick's Plan

From Our Own Correspondent

MONTREAL.—Supplementary letters patent have been issued to McCormick's Ltd., formerly Canada Biscuit Corp., confirming the reorganization plan.

Brantford Cordage Net Slightly Lower

Earns $6.88 on First Preferred — Cash Position Strong

Net earnings of $6.88 per share available for dividends on the first preferred stock are shown by Brantford Cordage Co. in its annual report ended August 31, 1937, compared with $7.46 in the previous period. On the second preferred $7.50 was earned, compared with $7.24, the increase being accounted for by smaller dividend requirements on the new first preference stock.

Working capital is increased by $67,447, inventories having risen by $291,322 to $1.3 millions. Cash is decreased $320,692, largely due to the purchase and cancellation of 1,055 first preferred and 5,100 second preferred shares during the year. The second preferred was bought at $25 a share without any allowance for arrears.

The usual depreciation has been written off, and fixed assets are now written off to the extent of 70% of their book value of $1.2 million. First preferred dividends have been paid regularly, but no payment was made on the second preferred during the year, and arrears thereon now stand at $464,736, equal to $16.07 per share.

Income and Surplus Account Years Ending Aug. 31

	1937 $	1936 $
Net earnings	343,647	378,782
Less: Depreciation	10,530	10,509
Income taxes	65,000	70,000
Net profit	268,117	298,273
Less appropriations:		
1st pref. divds.	51,243	83,095
2nd pref. divds.	......	119,000
Surplus for year	216,874	96,178
Add: Prev. surplus	582,482	867,958
Less: Addit. inc. taxes	2,449	8,632
Prem. on shs. redeem.	1,611	303,022
Commiss. on new 1st preferred	......	70,000
Surplus forward	795,296	582,482

Working Capital

	1937 $	1936 $
Current assets	1,880,175	1,817,323
Current liabilities	77,763	82,358
Working capital	1,802,412	1,734,965

Securities Holding Corp. Pays 65-cent Dividend

Securities Holding Corp., Toronto investment trust of the management type, has declared an interim dividend of 65 cents a share on its 6% non-cumulative preferred of $25 par value. The payment will be made Jan. 3, 1938, to shareholders of record Dec. 22. This will be the second increase in dividend payments this year. On July 2, 1937, 60 cents a share was paid while 50 cents was paid on Jan. 2, 1937.

Montreal Refrigerating Pays Preferred Dividend

From Our Own Correspondent

MONTREAL.—Montreal Refrigerating and Storage Ltd. has declared a dividend of $1.25 a share on the $3 preferred stock to apply on arrears of cumulative June 1, 1935. The declaration is payable Dec. 31 to shareholders of record Dec. 15.

Initial dividend on the preference stock was $1 paid on Jan. 2 last.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

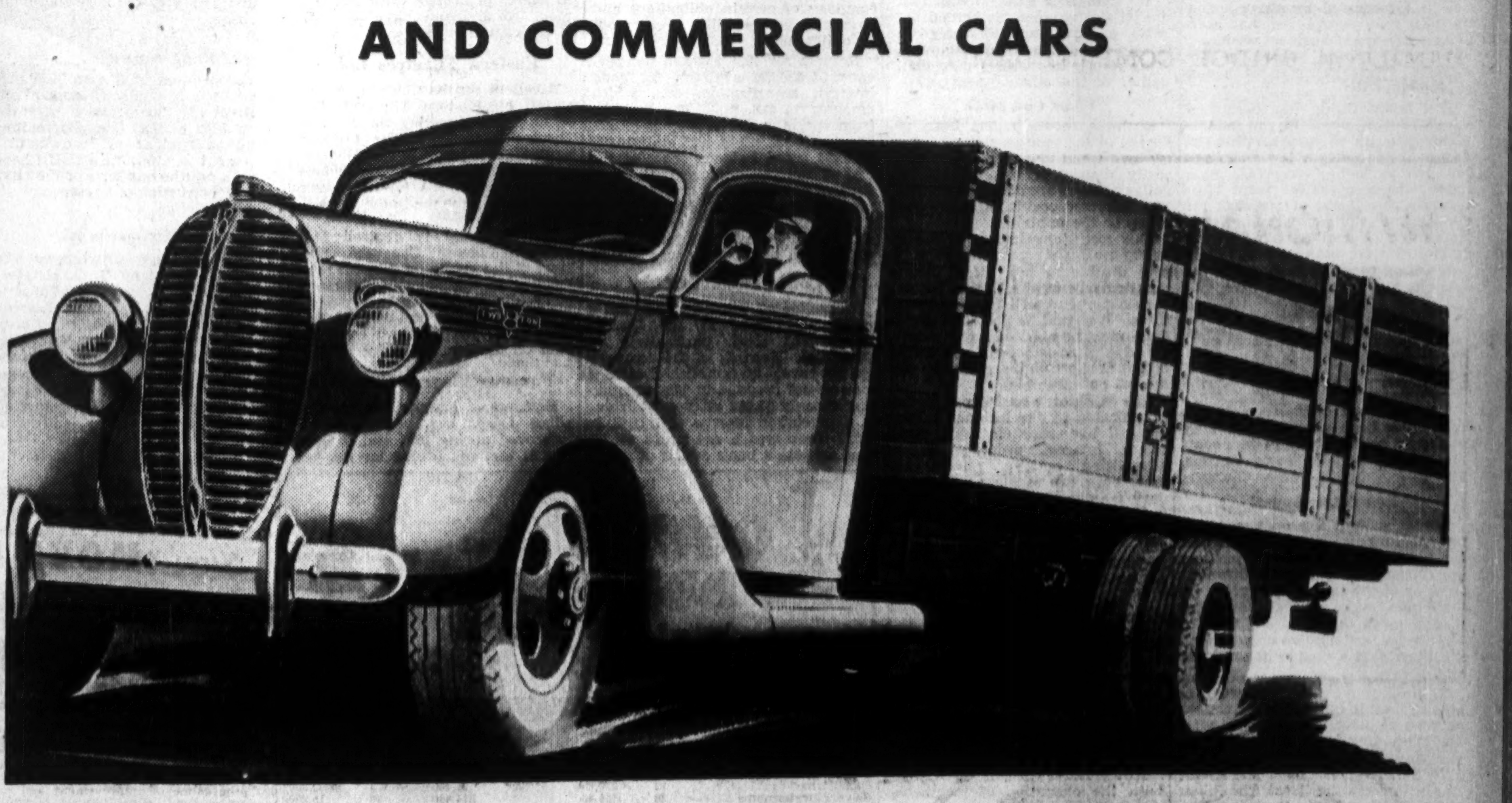
DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

The management of
Western Canadian Mortgage Funds
requires an expert and complete organization, both in the field and in the office.

OSLER, HAMMOND & NANTON LIMITED
WINNIPEG
have had over 50 years experience in this business, and can offer a complete service.

Companies with investments in Manitoba and Saskatchewan are invited to correspond with us.

ANNOUNCING
THE 1938 FORD V-8 TRUCKS
AND COMMERCIAL CARS



New modern styling—Bigger, quicker acting brakes—Easier steering—New 134-inch wheelbase with longer cab-to-axle measurement—Improved cab construction

Ford V-8 2-ton and 1½-ton Trucks and Commercial Cars have been improved for 1938. Changes have been made to put more pay in every payload. ¶ They have been restyled. Front end is more massive, sturdy new grille, headlamps and full-skirted, streamlined fenders are smartly modern. They are prestige builders—and there's profit in prestige! ¶ The new Ford V-8 Trucks are designed to do the work of heavier, more expensive units. They will stay "on the job" all the time, giving economical service. Important changes include: NEW 134-INCH WHEELBASE, with cab-to-axle measurement increased to 60 inches. Longer load space forward of the rear axle improves load distribution. LARGER BRAKES of new, self-energizing design. They give quicker stops with less pedal pressure. EASIER STEERING with new worm and roller type gear that reduces friction. IMPROVED CAB CONSTRUCTION—stronger and more comfortable; new hardware and trim. All Ford changes add up to longer truck life, faster, trouble-free performance—more pay in every payload. ¶ 2-ton trucks are equipped with the 95-hp. V-8 truck engine. 1½-ton trucks have the 85-hp. truck engine. Commercial cars are powered with the 85-hp. V-8 engine. Your Ford dealer invites you to see the new line—make an "on-the-job" test.

Christmas Wrapped
10s-25s AND 50s
SIMON'S
HAVANA CIGARS
IN ALL SIZES
PERFECTO and SENIOR
Metal Sealed
25s and 50s

This Business Behind Pleasure

—Courtesy, 20th Century Theatres.

One of Canada's newest movie houses, the Elgin Theatre in Ottawa. The two views show the luxurious smoking lounge and the entrance with canopy of latest design.

Amusement Company Picture Bright but Box Office Drop in U. S. may Spread

The Canadian motion picture business is completing a good year. Recently many points have reported declining box office revenues but the drop has so far not been as sharp as in the United States where October returns are estimated at from 10% to 20% below September.

Most of the companies publishing annual statements will show better profits this year than last, in spite of any such recent adverse tendencies, and in spite, too, of the polio epidemic, which cut badly into receipts in many parts of Canada.

British Columbia houses have had an excellent year, much better than 1936. Alberta business has been good, with ticket sales at least as high as last year, if not higher. Manitoba reports improved results. In Ontario there has been a general improvement, with an increase of from 15% to 20% in sight. Some sections, such as the mining areas, have been exceptionally good, and the larger cities have done well, although smaller houses particularly have been hard hit in recent weeks.

Costs Rise in Quebec

In Quebec the industry is still harassed by higher taxes, which have been rising during the past five years, and higher admission prices have kept attendance from increasing at rates similar to those shown in other provinces. It is estimated by one authority that between 20% and 28% of gross income in Quebec is consumed by taxes and licenses. As a major problem in the matter of languages has existed since the advent of talking pictures, the result has been a depressing one for operators.

Business in the Maritimes has been good, although no spectacular gains have been reported.

Saskatchewan is the weak sister, and it is expected that final returns for the year will be even worse than in 1936, when the poorest business in five years of declining volume was encountered. This situation, naturally, is most acute in the southern part of the province.

More Theatres

The number of theatres in operation has increased steadily during the past five years. This has been principally due to business recovery, but has also been helped by the steadily decreasing cost of sound equipment.

The latter factor has permitted many of the small former silent-picture houses to reopen. The investment necessary a few years ago for the change was too great. As a result, many operators were temporarily forced out of business, for silent films are now museum pieces. Reopening of small theatres largely accounts for the decrease in the average seating capacity as shown in the following table.

	No. of theatres	Seating capacity	Average seats per theatre
1933	765	466,650	610
1934	799	487,828	610
1935	856	525,317	613
1936	862	528,000	612
1937	1,089	603,346	554

Increased box office receipts this year have been partially offset by increased costs, chiefly in film rentals, wages, and in some centres, taxes.

Box Office Appeal

There is often a pronounced difference in box office returns from the same picture in various parts of the country; sometimes in different sections of the same city. Quebec on the whole favors musical shows. But it also loves the historical type of picture particularly the ones reflecting France of a couple of centuries ago.

Exhibitors pick the following as among the big box office attractions of 1937: Captains Courageous, After the Thin Man, Three Smart Girls (starring Winnipeg's Deanna Durbin); 100 Men and a Girl, The Awful Truth, Victoria the Great, The Silent Barrier, The Lost Horizon, The Good Earth, Wings of the Morning, A Star is Born, Maytime, Rose Marie, Elephant Boy, Farewell Again, Wee Willie Winkie, Lloyds of London and Easy Living.

It is rather significant that in this list are five British pictures which have largely overcome the prejudice created by earlier, poorer pictures.

The agitation against the double bill is spreading but it still remains a popular feature in most neighborhood houses and in the smaller towns, particularly factory towns where quantity is more important than quality.

Star appeal also varies. A recent national poll picked as the leaders of the screen in Canada: Myrna Loy, Jeannette Macdonald, Norma Shearer, Alice Faye. Claudette Colbert, Loretta Young. Leading the men were Nelson Eddy, Robert Taylor, William Powell, Clark Gable, Gary Cooper and Tyrone Power. It is significant that Greta Garbo, still regarded as the greatest actress, does not rate among the top six in a popularity poll. Shirley Temple, exhibitors suggest, is slipping from her high perch.

Basis of Film Rentals

All pictures are imported, most of them by the nine leading distributing companies which are members of Motion Picture Distributors and Exhibitors of Canada Ltd., maintaining film exchanges at Vancouver, Calgary, Winnipeg, Toronto, Montreal, and St. John. Films are rented to the theatres and the operator may lease them in any one of three ways.

(1) **On a percentage basis,** calculated on box office receipts. This varies from 15% to 40%, the average being around 27%. The rate varies with different pictures, the newness of the film, and the size of the theatres. Most of the larger houses buy their programmes on this plan.

(2) **Flat rental basis,** under which the operator agrees to pay a fixed amount for the film, regardless of results. This plan is favored by many small operators, for it eliminates part of their bookkeeping costs, and is favored by the distributors when dealing with small or distant theatres, for it eliminates the cost and bother of auditing.

(3) **Combined basis,** in which an initial flat payment is agreed on, with a percentage to apply on receipts above a fixed minimum. This plan is less widely used than either of the others.

Films Cost More

Business recovery has been reflected in the motion picture industry by a trend toward pictures more costly than ever before. Million-dollar pictures are not at all unusual. The increased cost is naturally passed on to the exhibitor.

This cost factor is causing the industry no little concern, for the recent decline in box office income (particularly in the United States), does not augur well for the newest films. It should be pointed out that these must be planned many months ahead, and costs accordingly cannot be cut at short notice, either by producers or exhibitors.

The exhibitor's business is further complicated by the fact that a large part of his other costs are fixed. Taxes, interest, property rentals, advertising outlays, power, and labor costs are constant and do not vary whether his house is filled or half empty. He is also faced with a high obsolescence factor. For these reasons any tendency toward declining income is watched with particular care by the whole industry.

A Substantial Industry

In 1935, the latest year for which figures are available, the motion picture theatre in Canada gave employment to 6,025 persons, with a payroll $4.8 millions. Box office receipts totalled $27.2 millions. There was one theatre for every 12,800 persons, and a seat for every group of 21.

All pictures shown in Canada, with the exception of technicolor, are printed in Canada from imported negatives on Canadian film. It is estimated that 30 million feet will be printed in 1937. There are no facilities yet for printing technicolor films. It is pointed out by the distributors that not more than 10 cents of the customer's dollar goes to Hollywood.

Following is a review of the chief Canadian amusement companies with public investment interest:

Allen's, Toronto

Minority interests are held in four Toronto motion picture theatres by Allen's Toronto Theatres, Ltd., on whose $8 preferred stock dividends are being paid at the rate of $4 per year. The stock is now $87.75 in arrears. The theatres are operated by Famous Players Canadian Corp., and business has been well maintained this year. Both the common and preferred stocks are closely held, and have little market interest for the general public.

Canadian Theatre

Canadian Theatre Co., controlled by Consolidated Theatres Ltd., owns and operates the Princess Theatre in Montreal. Earning power of this property has not been very satisfactory in recent years and the company has had to seek concessions from the bondholders. During the current year a further arrangement was made by the bondholders with the object in mind of relieving the company of certain obligations and strengthening its ability to carry out its obligations.

Returns for 1936 showed net revenue of $35,623 available for bond interest, amortization, etc., which amounts to $38,488. The net loss from operations amounted to $2,865, as against $22,919 in 1935 and $10,016 in 1934. The balance sheet at the end of last year indicates a need of further strengthening, current assets amounting to only $20,046 as against current liabilities of $23,551. The deficit in the profit and loss account at the end of the year was $90,475.

Cons. Theatres Ltd.

Consolidated Theatres Ltd., has a substantial stake in the Quebec amusement field, particularly in Montreal. Records of the company do not reveal an established earning power, net revenue in 1936 amounting to only $2,663 after establishing a depreciation reserve of $12,043. In 1935 there was a net profit of $73 and in 1934 a book deficit of $5,200.

The company has a small underlying bonded debt, on which the sinking fund payments were deferred in 1934. No dividends have been paid on the capital stock since 1928.

Current liabilities are greatly in excess of current assets.

Confederation Amusement

Confederation Amusement Ltd., operating a string of six theatres in the Montreal area, reports continued improvement in earning power. During the year ended April 30 last there was a net profit of $35,018 after all charges, as compared with $5,380 the year before.

Last December the company issued $625,000 of new 5% bonds. Proceeds of the issue were used to redeem the outstanding 6½% bonds, to pay mortgages, special loans, and to create working capital. As a result the company's financial position has been considerably strengthened, net current assets at the end of last April totalling about $176,000. It will be noted, however, that the current assets include $10,000 of the company's own bonds carried on the books, together with accrued interest, at $97,083.

The outstanding preferred stock has been reduced to $545,800, on which the amount paid up totalled $536,073. In addition there are 19,239 shares of no par value common stock. No dividends have been paid on the capital stock.

Eastern Theatres Ltd.

Excellent results this year are reported by Eastern Theatres, Ltd., owning and operating the Imperial Theatre in Toronto. The Imperial, largest movie house in Canada, seats 3,414 persons. One film, in October and November, ran for five weeks, a new record for the house since the start of operations.

The company is controlled by Famous Players Canadian Corp. Most of the public investment interest lies in the preferred stock, on which dividends have been paid regularly, although not earned fully since 1934. No dividends have been paid on the common since 1933.

Famous Players Canadian

Business of Famous Players Canadian Corp. has been generally improved during 1937 and it is expected that net profits for the year may reach $2 a share on the common compared with $1.42 a share in 1936. Bond interest will again be well covered.

Box office receipts have shown improvement in British Columbia and Ontario, particularly in the larger cities. Alberta, Manitoba and the Maritimes showed good results. Quebec theatres have not done so well, while Saskatchewan had another bad year.

The company is the largest motion picture theatre operator in Canada, owning or holding an interest in 251 theatres with a combined seating capacity of 249,569, more than 40% of the total capacity of the industry. The common stock is 96% owned by Paramount Publix Corp., and chief investment interest therefore lies in the first mortgage and collateral trust bonds, of which $7,050,000 are outstanding.

Gen. Theatre Investment

General Theatre Investment Co. owns seven motion picture theatres in the Vancouver district, all of which are leased to and operated by Famous Players Canadian Corp.

Public investment interest in this enterprise is limited to $500,000 of first mortgage serial bonds which were put on the market toward the end of last year. These bonds mature before the leases expire. Under present arrangements the company receives annual net revenue of $99,757 available for interest, amounting to $18,250 in the first year (decreasing thereafter as bonds mature) depreciation and income taxes.

Hamilton United

Decided business improvement is reported by Hamilton United Theatres Ltd. this year, and the preferred dividend rate has been increased to $6 per year in place of the $5 rate which has been paid since 1935. The preferred stock, on which dividends are $15.75 in arrears, holds principal investment interest, as the common is closely held.

The company owns two theatres in Hamilton, which have a combined seating capacity of 4,563 persons, and which are both leased to Famous Players Canadian Corp.

Mansfield Theatre Co.

Mansfield Theatre Co., owning Loew's Theatre in Montreal, has been operating at a profit for some time, but income is so limited that after providing for depreciation, the surplus has not been sufficient to warrant dividends on the capital stock. Working capital is sufficient for the company's needs.

The majority of the capital stock is reported to be owned by Famous Players Canadian Corp. There is a restricted market for both the preferred and common stock. Neither issue holds any particular attraction for the investor and very little for the speculator.

Marcus Loew's Theatres

Earnings of $17.08 per share compared with $12.51 in 1936, were shown on the preferred stock of Marcus Loew's Theatres Ltd., for the year ended Aug. 26, 1937. These improved results were reflected in a reduction of $1.75 in dividend arrears, which now stand at $42 per share. Attendance at the company's two theatres, both of which are in Toronto, was better during the year.

With net working capital, mostly cash, equivalent to over $40 a share on the preferred and good earnings, the company appears well able to make substantial payments on preferred arrears

One of the houses, Loew's, is operated by the company, while the other, the Uptown, is leased to Famous Players Canadian Corp. The two theatres have a combined seating capacity of 5,100, not including the upstairs "winter garden" division of Loew's, which is closed at present. The preferred stock holds principal public interest, the common being closely held.

Loew's London

Net profits equivalent to 46 cents a share is shown on the preferred stock of Loew's London Theatres Ltd. in the year ended Aug. 26, 1937, compared with 33 cents in the previous period. Ticket sales were $3,273 higher, theatre expenses decreased by $6,722, offsetting small increases in salaries, rentals, taxes, and repairs, and leaving net profit $4,492 higher.

Dividends are $2.45 in arrears, but have been paid at the regular annual rate of 35 cents in each of the past two years. No dividends have been paid on the common since 1930.

The company owns and operates a theatre in London, Ont., operated since 1919. The preferred stock holds senior equity, the property being free of mortgages.

Working capital increased by $18,724, although an increase in liabilities leaves the ratio slightly lower. The annual meeting will be held in Toronto on Dec. 17, 1937.

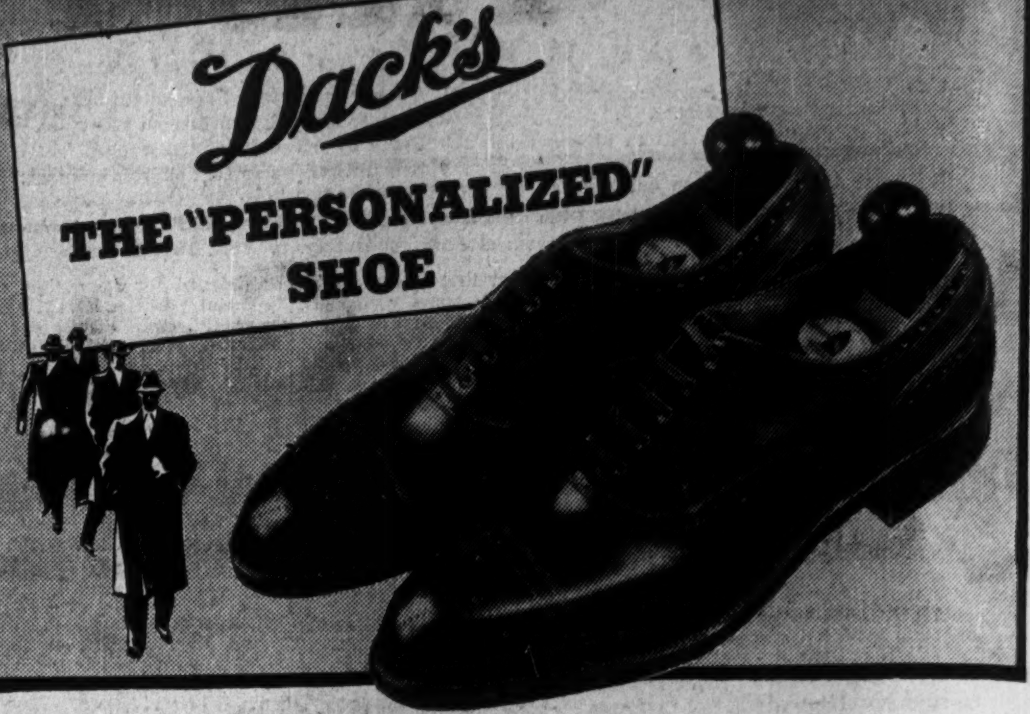
United Amusement Corp.

United Amusement Corp., which owns and operates a string of theatres in the Montreal district and eastern townships, has shown a consistent expansion in operations and earnings in recent years. The company holds franchise for first run films of Paramount Famous Lasky Corp. and through the development of neighborhood theatres, has built up a good business. A substantial interest has recently been secured in the shares of Confederation Amusements Ltd.

Last year the company reported net profits of $83,154, as compared with $58,543 in 1935. Dividends were increased in 1936 from 50 cents to 60 cents annually, together with an extra of 10 cents paid in December. On Nov. 15 last a semi-annual dividend of 45 cents a share, was paid indicating an increase in the regular distribution to 90 cents annually. The company has paid dividends in every year since its incorporation in 1924.

Continued improvement in general conditions should be reflected in increased earnings. There is a relatively good market for the stock of the company, though at most times it is inactive.

Dack's



THE "PERSONALIZED" SHOE

EACH CUSTOMER'S FOOT SIZE AND SPECIAL REQUIREMENTS RECORDED

Dack's SHOES FOR MEN

MAIL ORDERS FILLED
WRITE FOR CATALOGUE

WHEN you step into your first pair of Dack's Shoes, a lasting friendship is just beginning. For Dack's are "personalized" shoes. Correct in styling, snug in comfort, they *fit* as though made for you alone. At any Dack Shop you are assured of expert and individual service. A record is kept of your foot size and special requirements. Because Dack's will serve you so well and so long that your next shoes will inevitably be Dack's Shoes . . . whether you "shop on the spot" or write for Dack's from the far ends of the earth.

73 KING ST. WEST TORONTO

DS-157

SHOPS IN PRINCIPAL CANADIAN CITIES

COTTON FABRICS AND YARNS

TEXTILE DOMINION CO LTD
COLONIAL Sheets and Pillow Slips
MAGOG Fastest Fabrics

DOMINION TEXTILE COMPANY, LIMITED
THE TEXTILE BUILDING, VICTORIA SQUARE, MONTREAL

Loewe's famous BRUYÈRE

"No gadgets–no plumbing"

Just as Bond Street has long been identified with the correct garb for men, so, since 1856, has the name "Loewe of the Haymarket" been synonymous with pipes—smart in style and of choice, selected bruyère root.

$5
$10
$15

The Logan

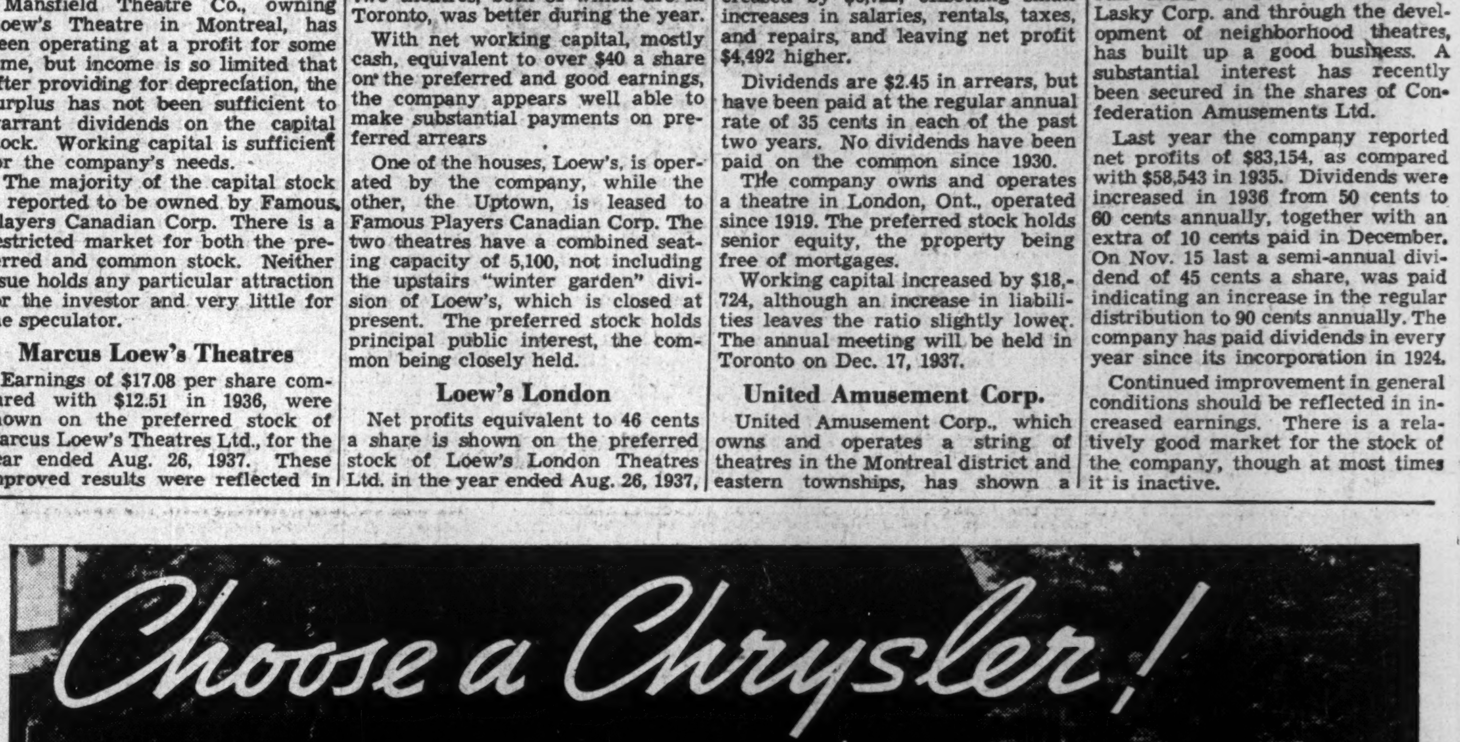
Loewe of the Haymarket LONDON, S.W.1.

L&Co

TRADE INQUIRIES TO THE LOEWE COMPANY 1 UNIVERSITY ST. MONTREAL

Choose a Chrysler!

for LUXURY & DISTINCTION WITHOUT EXTRAVAGANCE



1938 Chrysler Royal Four-Door Touring Sedan.

MOVE INTO THE "Chrysler Class" FOR 1938!

IN ten short, history-making years the name "Chrysler" in Canada, has grown to mean the ULTIMATE in fine-car luxury and distinction—"years-ahead" in Engineering and Craftsmanship. Throughout these years Chrysler has steadily gained the confidence and approval of those prominent people who accept nothing short of the best.

Now, numerous improvements and refinements contribute to delightfully easy steering, quietness of operation and still more thrilling performance. All this is added to the many well-known Chrysler developments such as . . . Safety All-Steel Bodies . . . Improved Weight Distribution . . . Genuine Hydraulic Brakes . . . Floating Power Engine Mountings—and many other advancements that make for increased Comfort, Safety, Economy and Pleasure in motoring.

For 1938, THREE great Chryslers await your selection in a wide range of body-types, colors, wheelbases and power units.

CHRYSLER ROYAL—*In ten eye-appealing body styles. 119" Wheelbase—95 Horsepower.*

CHRYSLER IMPERIAL—*In seven richly-appointed body styles. 125" Wheelbase—110 Horsepower.*

CHRYSLER CUSTOM IMPERIAL—*In three luxurious body styles—144" Wheelbase—130 Horsepower.*

One of the great Chrysler family of luxurious and distinctive motor cars is a model designed to meet your particular requirements. We invite you to visit your nearest Chrysler-Plymouth dealer and select the model which suits your needs.

A trial drive will prove a thrilling revelation. For motoring luxury and distinction without extravagance *choose a Chrysler!* Why not see your nearest Chrysler-Plymouth dealer today?

* * *

All Chrysler motor cars are available on Commercial Credit terms to suit your convenience.

TUNE IN on Major Bowes Amateur Hour, Columbia Network, every Thursday . . . 9 to 10 p.m., E.S.T.

GLOVE COMPARTMENTS *are big and roomy—Instruments are conveniently grouped in the centre of the richly-appointed instrument panels.*

A TWIST OF THE WRIST—*a little pressure and the ventilator-vane is in position—held in place by friction pivots. Convenience and simplicity mark all Chrysler engineering and design.*

DON'T MISS THESE GREAT CHRYSLER FEATURES

- New, longer wheelbases for a still finer "Floating Ride"
- New, more powerful "Gold Seal" engines
- Easier Steering and Gear Shifting
- New, deeper windshields for better vision
- 22% more luggage space in all trunks
- Larger, softer, more positive Chrysler Double-Action Hydraulic Brakes
- Airplane-Type Shock Absorbers
- Rubber-Cushioned Body Mountings
- Safety All-Steel Bodies and Safety Glass
- Floating Power and Outstanding Economy!

Space permits mentioning but a few of the many features Chrysler Engineers give you in the great Chryslers for 1938. A single ride will show you what these improvements mean in added comfort, luxury and motoring enjoyment.

Before you decide — DRIVE A CHRYSLER!

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, DECEMBER 11, 1937 | 10c a Copy; $5.00 a Year | No. 50

You've Got to Work—in Midland

Town Sets Dominion Example by Cracking Down on Relief Seekers Who Refuse Jobs—Wood Lot is Revived

BY WILLIAM H. CRANSTON

Premier Hepburn and his eight fellow Canadian provincial leaders have not yet really faced the problem of the "sit-downers."

Not the "foreign agitators" who played such a big part in the last Ontario election, but the Canadian "ex-workingmen" who have been "doing fine" on the relief rolls of this country for the past five years, and can't see any reason why they should do anything about it.

No Dominion or provincial government, up to this time, has had the temerity to disregard the vote of these "ex-workingmen" and inaugurate a "no work, no relief" administrative policy. It has remained for the Town of Midland, Ontario, where the heavy burden of relief has overshadowed to a considerable degree whatever business improvement there has been, to show the way.

Backed by strong editorial support in the Midland Free Press, Midland elected to its council in January an executive composed, with one exception, of businessmen. When it is considered that unskilled labor composes over 40% of the total vote, and that in the winter season over half of this section of the voting public were on the relief rolls, the election of these men was a near miracle.

Relief costs during the summer were greatly reduced, but in September the Relief Administrator reported to the council that, despite the general boom in business throughout the province, prospects for reduced winter relief costs were not bright.

James Mackie, aggressive mayor of Midland, who has forced through the no work, no relief policy.

No Work, No Relief

So Midland experimented to find out just how many of the incumbents of its relief rolls were there because of lack of work, and how many were there because of lack of ambition to work. The results of this experiment were the introduction of a strict "no work, no relief" policy, and a drastic cut in relief costs.

Three events led to the inauguration of the "no work, no relief" programme. The first was the attitude of 19 reliefees given work on the Musquash provincial hydro project. Starting work early in the autumn of this year, by the end of October only four of the original 19 remained on the job. One reliefee quit because, in his own words, "there was too much overtime" though this overtime was paid for at standard rates. This physically-fit man later was offered another opportunity to work, and refused.

The second event leading to tightening of Midland's relief was the inability of the Welfare Board to find young men sufficiently ambitious to take advantage of the Youth Rehabilitation scheme inaugurated by the Dominion Government.

Here is the way in which the town relief officer explained it:

"These boys are to be paid $10 per month by the government, and the farmers are to be given a $10 per month subsidy by the government. In return the farmer is to instruct the boys in the routine and theory of first-class farming. At the end of six months on the farm, the boys are to be taken to the Agricultural School at Newmarket and given additional training without charge to them. At the end of this second period, if their work has been satisfactory, they will be placed on farms again for the summer season. Here is a chance for five young men to get a real training and get paid for it. But could we get any young men from Midland to accept this opportunity? Not one!"

The third factor in determining Midland's town council to take their present course was the response of the men on relief to the offer of the Abitibi Power and Paper Company to take men up to their lumber camps for the winter. Again we will let the Relief Officer tell the story:

"We received word that there were jobs for 30 or more woodsmen in the Abitibi development. Word was sent to 32 Midland reliefees who had had experience in woodcutting. Thirty-two turned up at the relief office but only eight were willing to take the jobs although their transportation was paid, and the rate of wages good."

This absolute disregard for work was the last straw. A. J. B. Gray of the Ontario Department of Municipal Affairs, Government Supervisor for this municipality, visited the town two days later, and at a special meeting of council a resolution was passed authorizing the Relief Administrator to cut off relief to anyone refusing a job.

"Sit-downers" Go to Work

Friday night was the date of the special meeting. By Saturday noon, reliefees who had refused to go north on the Abitibi lumbering jobs, were besieging the town offices. During that afternoon the mayor was stopped on the street by over 40 reliefees to ask if the stand taken by the council was an actual fact. Sunday night when the train left, 19 of the 32 men who had been selected for the work were headed north. The determination of the council had turned 11 men from "sit-downers" to workers.

The sequel to this trainload for the north was a letter, dated a week later, from the Abitibi Pulp and Paper Company camp supervisor to the Relief Administrator of Midland, reading:

"We wish to advise you that out of the 25 men (six went by a later train) who were sent up from your town, we have only 10 left, and one of them is in camp with a cut foot. The remaining nine men were cutting anywhere from 60 to 100 pieces each per day and we believe they will make out fine provided they stay on. In camp 9 there were 13 men and out of these, eight left. There were five men from the second bunch came up and worked one and a half days and in that time they only cut 100 pieces amongst them. The foreman went into camp after breakfast to see if there were any men who were not working, and found out that these five men had left, leaving their tools behind, and we have no record as to where they went up to the present time. One of these last five men made the statement in camp that they had not worked and were not going to and they certainly showed it with the amount of wood they cut. In camp 10 there were two men discharged and one quit. The two who were discharged only cut 50 logs between them and they were in camp from Monday to Friday. They did not work Tuesday because of rain. The man who quit gave no reason. He had cut 73 pieces in two days. In camp 11 only one man quit. The loss to the company on these men while they were here totals $17.21.

"Will you please cancel all shipments of men until further notice.

Yours very truly,
ABITIBI POWER AND PAPER CO."

The Relief Administrator's disgust knew no bounds.

Supporting Themselves

"Twenty years ago a quarter of the men left Midland every fall to go into the bush. They didn't come back until spring, and they have saved enough to keep themselves and their families until the sawmills opened. But they think that sort of work is too hard for them now," he commented. "And do they save any money when they get a job? Not much. The men who worked here all summer at the sawmill still expect the town to supply them with coal, rent, food, and clothing for the winter. It's no wonder that the lumbering companies don't want Ontario labor, that they're finding their men in Quebec.

"Just to show you what these men think of a job, I want you to listen to some of the 'applicants' for work that I'm interviewing this afternoon," continued the administrator. "We have jobs for 150 men in lumber camps north of Sudbury and the agent has promised that a hard-working man whether he has previous experience or not, can make from $18 to $20 per week clear of board, doctor's fees, and incidentals. The town will supply the men with suitable clothes, and their transportation will be taken care of.

That afternoon we went to the town buildings, and were given a desk and chair directly back of the counter at which the Relief Administrator interviewed the 98 men he had summoned for the job. We have recorded 25 of the interviews with no mention of the name or residence of the men, but high-lighting the various excuses offered.

Case Histories

CASE A, a man with large family on relief for a number of years, experienced in the woods. "I'd go in a minute if it were a monthly payroll job, but no piece-work for me. Why don't they get men from Sudbury, and North Bay? Why should they come all the way to Midland for them?" It was explained that the piece-work pay had been instituted at the request of the men themselves because more money could be made that way, and that Midland men had been offered the jobs instead of men in Sudbury because of the large percentage of foreigners and communists in that district. Case A replied: "Oh, so you want us to be strike-breakers. I'm not going up there to do any strike-breaking, not me!

CASE B: "I'm willing to go if I can get enough to keep my family."

He was quickly outfitted with the necessary clothes and his tickets ordered.

CASE C, aged 20, just back from a job in the Abitibi camp, after confessing that he had only tried it for a day and a half. "You have never had a steady job since you left school, have you?" asked the relief officer. CASE C commented: "If I can make $2 per day, I'm willing to work." After considerable argument he stated that he would leave for the north for "another try" but that "if I don't make $2 a day, I'll be back."

CASE D, who had evidently heard the details. "I'll try her."

Doing "Fine" on Relief

CASE E: "I've just finished a job, and YOU want to send me AWAY again." Questioned as to whether he would be self-supporting, he was forced to admit that he "didn't know." "But I hate to leave home now when I've just got home." Questioned about his brothers, he remarked after saying that they used to live in Wyevale, "All the boys are down in Toronto on relief now and doing fine." This applicant was an old bushman and formerly had worked with the agent. Turning to the latter he said: "I would like to work for you. I know I would be well used. But I'd like to stay home for a while. When I get tired of home, then I'll go."

CASE F: "My hand is burnt, and I can't do any sawing. If there is sleigh-hauling after Christmas, I'll do that."

CASE G: "I wouldn't mind a job, but I'm not fit for it. My heart has been bad for a long time. The first little shock and I have to sit down." The relief officer pointed out to him that he had worked all summer at the local sawmill, and asked: "And did you sit down all the time there?"

CASE H, a former millwright: "I'm not fit to go up. I broke my leg twice, and it hurts me badly at times. I'm not fit to go up."

CASE I: "I'm not fit to go up there. I was up at the sanatorium in Gravenhurst three years ago for five months." When the relief officer protested that it was all outdoor work, CASE I complained that he had "to report each month to a doctor." At this point the officer recalled that three years ago, instead of being at Gravenhurst, the man was working at the coal dock, and the reliefee admitted that perhaps it was in 1931 that he was in Gravenhurst, but that, anyway, he "couldn't stand the wet."

CASE J: "If it's piece work, I can't do it. My rheumatism is too bad. If they paid by the month I'd take it in a minute. I'm 47 years old, and I was wounded in the war, and, with my rheumatism I don't see how I could make any money."

CASE K: This candidate protested he couldn't go up north because he took epileptic fits. He handed in a slip from a local physician which, however, stated that an associate could treat him with the prescribed pills whenever he was threatened with an attack. He was, however, excused.

Avoided Work Seven Years

CASE L: "I'll go to work at McGibbon's. I always have gone there." When the relief officer reminded him that since he had been on relief for seven straight years he couldn't have "always gone to McGibbon's," he protested: "My wife's sick all the time, and I can't leave her." The relief officer pointed out that it was rather peculiar that he hadn't been with McGibbon's for seven years and now suddenly landed a job. "But I never tried to get one during the last seven years," replied the reliefee. To which the relief officer returned: "You'll be at McGibbon's then in two weeks and off relief here."

Jobs in the bush if unemployed would take them.

CASE M: "I can't go up north at the present time because my wife is expecting a child, and the man at the Tannery says he might have a job for me soon." The relief officer elicited the information that he hadn't had word from the Tannery for three months. The man admitted that his mother was around to take care of his wife but still said: "I'd be very glad to go north in a short time but not just now."

CASE N: "I couldn't even make my board on piece work, and I've never skidded logs in my life." The Relief Officer pointed out to the man that he couldn't possibly be good enough to the company to earn monthly wages if he couldn't make more than his board at piece work, and also told him that he would work in a gang where he could be taught skidding. The only reply was: "If a man was on a wage, he'd know what he could make."

CASE O: "I'd like to go all right, but how could I leave my old woman?" When questioned what would happen to her if he died tomorrow, the reliefee replied: "She'd have to manage, I guess." The information came out that he had a brother to take care of his mother, and the town promised to cut the wood for her. "How do they pay up there?" was the next question, and finally the promise to report Tuesday morning for his clothes.

CASE P: "You're going up, aren't you, Charlie?" queried the relief officer. The answer was the one word, "yes."

CASE Q: "I'd just as soon not go myself right now. I'm waiting on a barbering job at the International Nickel Plant." It turned out that he hadn't heard about the promised job for three months, but the reply was: "I'd hate to lose the job now."

Afraid of Snow

CASE R: "I've never done any bush work before and I don't think I could stand it with my leg." When he had found out that the reliefee was only 26 years of age, the relief officer commented: "You're pretty young to be all shot, aren't you?" "How could a greenhorn make a living for five?" was the reply. The relief officer pointed out that all bushmen were greenhorns once, that they all had to learn. "I might be all right until the snow gets on the ground." To this, the relief officer countered: You'll likely live in Canada all your life, won't you? You'll see lots of snow." The reliefee listed the new clothes he would need. The officer took the items down and told him to report in the morning.

CASE S: "I'm not in good shape. Not that I'm lazy and wouldn't like to go. And I've had to look after my father for four years." The relief officer asked him if his wife wasn't there to take care of his father, and if he didn't have other brothers in town. The reliefee persisted: "My father takes strokes, and I have to be there to take care of him. If anything happened while I was up north, I wouldn't have the price to come down." "You're looking for something to happen, aren't you?" asked the relief officer. "Didn't you take your father down to the town offices in a taxi to apply for an Old Age Pension the other day? It seems that he's more optimistic than you are."

CASE T: Twenty-eight years old and over six feet tall. Robust in health. "Piece work is useless to me. Give me a monthly wage and I'll go in a minute." The officer pointed out to him that perhaps it was a good time to start. "It depends on yourself whether you make a success or not, doesn't it? You're young and husky." The reliefee countered that if it was only a monthly wage, why he'd go in a minute, and so on, as he backed out the door.

CASE U: "I've never worked in the bush." "Oh, yes you have," countered the officer. "Well, I worked across the bay cutting cord wood." "They don't ask for men with experience," pointed out the officer. "Well, I've got a kind of a prospect of a job," replied the reliefee. "Yeah, at 75 cents a cord cutting wood," countered the officer. "If you take a job cutting wood at 75 cents a cord you don't need to ask me for assistance again. I'm not going to subsidize the people who pay wages like that." Again the reliefee came back: "If I can make it go, I'll try it." The officer warned him that he wasn't to return with less than a month's trial, and he agreed.

Is Work Compulsory?

CASE V: "Has a fella got to go? Is it compulsory?" "All we want to know," said the relief officer, "is who wants to go? How long ago is it since you had a job?" "Five years. If you see fit, and you want to send me, I'll go." "You're beaten before you go," said the officer. "If I was a boss, I wouldn't want you." "Is relief going to be open to a man who doesn't take it?" This question the officer refused to answer. The man replied: "That's where the forcing comes in on this job. I'll have to take it."

Out of the 98 reliefees called in for the jobs, 26 finally took the train north. An additional 22 young men who applied for jobs also were included in the town's quota.

Of the 62 men who refused the work, over 50% had become mentally "unemployable."

Civic Bush Lot

The men who returned from the lumber camps and those who refused to go are being given another chance. Midland is purchasing a bush lot and the reliefees will be paid to cut wood at $1.50 a cord. This project will be started within two weeks. Until then wives and families will be granted temporary relief.

To provide additional employment Midland proposes to lease or purchase the stone-crusher owned by Port McNichol, four miles away. Port McNichol paid its unemployed 35 cents an hour for working on the stone crusher and operated it at a profit. Now Port McNichol has a flourishing boom of its own and has no longer a relief problem.

Previously unemployed in Midland were given their relief pay and then worked it out. Now relief for all employables is being discontinued and a wage rate of 35 cents an hour substituted.

Men used to make enough in the winter to keep their families.

Trade Pacts and Politics

By KENNETH R. WILSON

The Federal by-election in Victoria, B.C., last week has cast gloom over Conservative hopes that the forthcoming trade treaty revisions with United States and Great Britain could be made a major Federal campaign issue.

Despite the personal leadership of Rt. Hon. R. B. Bennett, a riding that has been Conservative for 30 years returned a Liberal to power in a three-cornered fight. Mr. Woodsworth also appeared in person to support his C.C.F. candidate. Only Prime Minister King remained aloof, which prompts the Regina Leader-Post to remark that the best way for a political leader to win a by-election is to stay out of it.

Major issue of the campaign was the forthcoming revision of the Canada-U. S. trade treaty and the accompanying changes in the agreement with Great Britain. The Conservatives charged that lumber and apple interests were about to be "sold down the river" through sacrifice of the British preference they now enjoy; the Liberals claimed this was a bogey because, as the terms of the treaty were as yet unknown, there was no indication that any such sacrifices would have to be made.

Herein seems to lie the crux of the issue as to whether or not forthcoming tariff and treaty changes will provide the Conservatives with a great tariff issue such as their opposition to reciprocity in 1911.

• • •

Electors Ready to Wait

What is still needed, apparently, to give the Conservatives a real campaign issue is definite assurance that Canada's sacrifices are so drastic and severe as to offset public approval of the broad policy of trade extension. Until that evidence is available, Canadian voters—even in an area so closely interested as British Columbia—are apparently willing to wait and see what happens.

The Victoria by-election, therefore, while it is being interpreted as a substantial encouragement to the Federal Government in its aim to promote world peace and freedom by economic means, cannot apparently be taken as endorsation of policies which may subsequently involve substantial sacrifice on the part of this country.

Available evidence indicates that prior to last week, Conservatives in many parts of Canada had been interpreting the fighting speeches of Mr. Bennett at Halifax and subsequently at Victoria as heralding a great campaign issue on the basis of forthcoming tariff changes. The Victoria by-election seems to indicate that a wiser policy would be to defer visions of the reciprocity turnover and to await more definite evidence of the actual impact of the proposed changes on Canadian economic life. When this is available, there will still be plenty of time (so moderates counsel) to sound the tocsin of a new federal campaign issue.

• • •

The Situation Today

As one outstanding Conservative who gave front rank leadership to the reciprocity fight in 1911, remarked:

"The situation today as I see it is essentially different to that of 1911. The principles involved are much more than a mere matter of economics. They are far broader than those we battled for in 1911.

"Canada has not as yet realized the vital importance of this whole matter to Great Britain and to the future of democracy. The situation is a matter of very high policy affecting not only the future of the English-speaking people but also of democracy.

"We, in Canada, are too remote from the European situation to realize the dangers involved in the world situation at the present time. We do not realize how vitally important this trade accord (which undoubtedly involves war debts as well) is considered by Britain.

"The Conservative Party has always stood for a strong Imperialist connection. We must wait and see the terms of the proposed agreement. Of course they may be so severe and drastic that opposition is thoroughly justified."

(Continued on page 12)

Canada's Economic Achievements and Prospects Reviewed by Bankers

Confidence in Canada's Capacity for Recovery

BANK OF MONTREAL'S 120th ANNUAL MEETING

Sir Charles Gordon Sees Continuance of Better Times if Dominion Not Unduly Affected by International Disturbances — Points to Strength Reflected in Financial Statement

An impressive record of strength and of expanding business in keeping with the marked improvement of trade and commerce throughout the Dominion during the past year was presented at the 120th annual meeting of the Bank of Montreal, held recently in Montreal. The balance sheet showed that for the year ending October 30 assets had increased $24,500,000 to a total of $829,600,000; public deposits $28,000,000 to a total of $681,000,000; current loans in Canada $23,000,000 to a total of $182,500,000, and net profits by $226,827 to a total of $3,406,328; while the readily available assets amount to no less than 79.58% of liabilities to the public.

Sir Charles Gordon, G.B.E., president, declared that the statement was the strongest that had been presented during the ten years in which he had been president, adding that every contingency had been explored and provided for, with a view to maintaining the position so long held by the institution in the very front rank of the banks of this continent.

BUSINESS CONDITIONS IN CANADA

Passing on to a review of general industry and commerce in the Dominion during the year, the President said that taken on the whole business conditions had been much improved, and were a happy contrast with the conditions of but two years ago, the one really serious setback being in those portions of the Prairie Provinces where drought caused total or partial failure of the crops. "Were Canada as dependent as it formerly was upon the cash returns derived from the export of wheat," he said, "the fact that this year's crop of that commodity falls so far short of the average would be calamitous. As matters stand, however, this partial failure of our greatest cash crop is partly offset from the national standpoint by the higher price for this year's crop and by the fact that the general crops in every other part of Canada have been, on the whole, remarkably good. Also, perhaps even more important is the fact that Canada has been demonstrating in the past year a remarkable resiliency in productive enterprise."

As one instance of the latter, he cited the marked increase in the discovery and production of gold in response to the world demand for the metal. Continuing, he said, "The rapid progress that is being made in every form of mechanical operation and in the use of all kinds of manufactures of metal, combined with the demands caused by the armament programmes of the larger nations, has centred attention upon Canada as one of the leading producers of the most valuable industrial metals, viz., nickel, zinc, copper, lead and aluminum, and other metals used in steel alloys. Canada's response has been such that with the exception of iron this country is now the world's largest exporter of base metals.

"Then the housing programmes which have been undertaken on an unprecedented scale by nations abroad have found Canada responding by large increases in the export of lumber and other building products such as asbestos and gypsum.

"Similarly, the rise of large-scale industries for the manufacture from pulpwood of a wide variety of new materials, of which at the moment artificial silk is perhaps the most spectacular, has found a response in Canada in the production for export of increasing quantities of high-grade bleached sulphite, the raw material of these new industries. The greatly increased demand for newsprint has been reflected in Canada in the past year in record production and export of that commodity, which for years has been the largest manufactured product in our export trade.

"It is this resiliency in industrial enterprise, so variously expressed, that endows this country with so great a capacity for recuperation.

"Then there is the tourist trade, which provides a highly important stimulus to domestic business."

CANADA'S MANUFACTURES NOW WORTH THREE BILLION

Sir Charles observed that until recently Canada was regarded as a country devoted almost entirely to agriculture. Today agriculture provided 35 per cent of the exports, and other forms of industry the balance. Canada now employed 600,000 people in 30,000 workshops, mills and factories and the annual value of its manufactured products amounted to more than three billion dollars.

"The needs and the interests of the large portion of our population whose livelihood is directly dependent upon these operations," he said, "must be taken into consideration by those upon whom devolves the administration of the affairs of this country."

EMPLOYMENT CLOSE TO ALL-TIME RECORD

Turning to the employment situation, Sir Charles remarked that the upturn which occurred a year ago had continued at a rapidly accelerating rate. "In fact," he said, "the level of the Dominion Bureau of Statistics wage-earning employment index on October 1st last reached practically the point at which it stood on the same date in 1929. The physical volume of production is also almost up to the 1929 level."

The construction industry all over the country, he said, had shown a considerable measure of recovery this year, but it was still not by any means up to the 1928-1929 level.

Residential construction work had, Sir Charles said, been stimulated by a greater use of the Dominion Housing Act and by the Home Improvement Plan, which latter, with the co-operation of the banks, had done all that was expected to bring about greater activity in hundreds of centres throughout the country and compared most favourably with results obtained in the United States in the same period.

GROWING FOREIGN TRADE

Sir Charles observed that the decided improvement in the past year was due to the revival of foreign business, which had been growing by leaps and bounds.

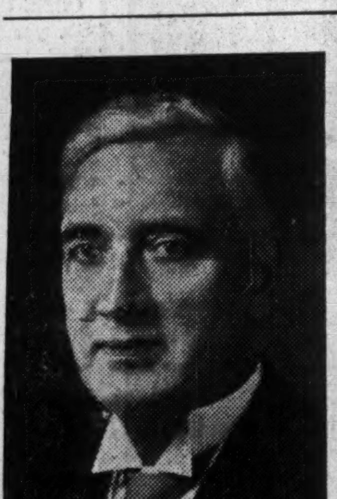
For the first seven months of the present fiscal year, April to October inclusive, the total of this trade amounted to $1,183,000,000 with a favourable balance of $176,000,000. This total of trade showed an increase of $199,900,000 as compared with the similar period of 1936.

The latest figures available, he said, indicated that for the calendar year exports and imports would attain a total approaching two billion dollars, of which some $320,000,000 or practically one million dollars for every working day, would represent a balance favourable to Canada, and necessary to her as a debtor country.

He noted, however, that until the next harvest there would be but comparatively small exports of grain, that export figures for metals would be affected if the present lower prices continued, and that in regard to the export of newsprint to the United States the market outlook was not clear.

Commenting on the fact that no less than four-fifths of Canada's trade was with the United Kingdom and the United States, he observed that in the 12 months ended September 30, Canada's trade with the United States was around $395,000,000 greater than her trade with Great Britain, due to the fact that Canada buys more largely from the United States. For years trade with the latter country showed a heavy balance unfavourable to this country, thereby greatly complicating exchange difficulties. For the 12 months mentioned, however, the balance, allowing for exports of gold totalling $107,000,000 showed a balance favourable to Canada of about $24,000,000.

The speaker followed with a reference to present disturbed business conditions in the United States, and quoted a New York authority to the effect that what the country most needed was a rest from the programme of reform which had been pushed so rapidly in recent years.



JACKSON DODDS

CANADA'S LEADERSHIP IN INTERNATIONAL ECONOMIC CO-OPERATION

Sir Charles observed with satisfaction that while such a large proportion of Canada's trade was with Great Britain and the United States, neither our Government nor our business men were neglecting opportunities to further trade with other countries.

"Our newsprint producers, for example," he remarked, "are building up for themselves a position of importance in a variety of overseas markets and are now steadily exporting their product to over thirty countries. Within the past two years formal trade arrangements have been concluded by the Government with not less than fifteen countries, and negotiations are proceeding for similar trade expansion agreements with others.

"Today, Canada claims the distinction of being one of the few countries in the world which employ no trade quotas, no exchange restrictions and no embargoes other than those associated with the traffic in arms. If the remedy for world-wide evil of international strife lies in international economic co-operation, as I believe it does, then Canada, I think it can be said, is doing its full share in leadership along that line."

RAILWAYS AND TAXATION

Reverting to conditions at home, Sir Charles observed that while the year had been one of great improvement in trade and in employment and in the finances of the central government, there were two factors which still placed too large a proportion of the country's national income into unproductive channels.

The first was what he termed the most uneconomic situation which existed in regard to the railways, and the second the heavy and overlapping taxation which burdened every form of business enterprise and which as applied to individuals meant that few people had any surplus funds to invest in new enterprise.

"The return on investment in the Canadian railways," Sir Charles said, "remains entirely inadequate and yet the economic waste resulting from the competitive operation of the nation's two great railway systems has continued unabated. It is to be particularly regretted that the taxpayers of the country should be burdened with unnecessary expenditure for railway losses at a time when general taxation for unemployment relief and other essential Government services is so heavy and economy in public expenditure vitally necessary."

Sir Charles believed, however, that there was accumulating evidence of a more widespread understanding that a sound solution of the railway problem was required to create confidence in the future of Canada.

SIR CHARLES GORDON, G.B.E.

"This is a hopeful feature," he said, "for with understanding of the serious implications of the present situation should come determination to put into effect those remedial measures which are necessary and indeed in the long run inevitable."

REVENUE AND TAXATION

With regard to taxation, the President said it was highly encouraging to note that despite the drain of the national railways on the country's revenue, the betterment in our national finances has been such that Treasury officials now hoped that a balanced budget might be consummated at the end of the present fiscal year.

"This," he said, "is the goal toward which the present government set itself when it took office two years ago, and better progress has been made than the most sanguine then dared to anticipate. We may hope that in due time the improvement will be reflected in a decrease in taxation; it certainly will be reflected in the strengthening of the whole credit structure of this country."

In concluding his remarks, Sir Charles, while not attempting a forecast on the Canadian business outlook, expressed his confidence in Canada's "remarkable capacity for recovery," which, if not affected unduly by international disturbances, would, he felt, mean a continuance of the better times which Canadians had experienced during the past year.

Confidence Expressed In Future of Alberta

"Observers at a distance are apt to misjudge Alberta and its citizens by the present state of affairs there," said Jackson Dodds, general manager of the Bank of Montreal, at the institution's recent annual meeting.

"It is," he continued, "one of the most richly endowed provinces but in the midst of its vast natural resources there has been in some districts virtual destitution and despair. Efforts made to cope with such a situation on practical lines are necessarily slow in producing noticeable results, and distracted people fall easy prey to promisers of quick relief from their trouble.

"In the case of Alberta, before the disorganized sound majority of electors realized it, the province was committed to a quixotic adventure.

"The cost of that 'experiment,' as it has been called, cannot be calculated in terms of money alone, and it is not unlikely that the chief sufferers will be the very people it promised to help. It is to be hoped that there may be a compensating gain in the lesson to be learned by those who would wreck the established order of things; imperfect though it may be, it has taken many centuries of constructive effort to build up.

"Our confidence in the ultimate return of normal conditions in Alberta cannot be better expressed than by saying that we have endeavoured to continue doing business as usual at our branches in that province, where we have thousands of valued customers."

BANKER DISCUSSES FACTORS CONTRIBUTING TO BETTER DAYS IN GREAT BRITAIN

Speaking of his visit this year to Great Britain, Sir Charles Gordon, in addressing Bank of Montreal shareholders at their recent annual meeting, said that business in the United Kingdom was undoubtedly in a healthy condition, with greater industrial activity and more people engaged in gainful occupations than at any time in its history.

"It would be a mistake," he remarked, "to ascribe this wholly to the rearmament programme. Undoubtedly that is a contributory factor, but the real basis of the revival is to be found elsewhere.

"Primarily, the revival began with the adoption by the National Government of a tariff that gave reasonable protection to industries and made it possible for them to compete in the domestic market with the products of the cheap labour of foreign lands where lower standards of living prevail. By securing to domestic industries the home market, the foundation was laid for larger unit production at lower costs in spite of advancing prices for raw materials and labour—an advantage in both the home and foreign markets.

"Then the Government, by balancing its budget and by stabilizing the pound sterling in all countries with which Great Britain does business, created a condition which has brought about a notable expansion in export trade. Also, Great Britain has established an efficient and scientific system for dealing with unemployment and has not been content with putting a measure for unemployment relief on the statute books and letting it go at that.

"Then of no less importance is the policy of the British Government not to hedge private enterprise around with repressive conditions but to encourage it in every way possible. They have gone on the principle that the more money private enterprises make the larger are the contributions of commercial and industrial organizations and of their shareholders to the national treasury in the way of income taxes. In this connection may be mentioned the many thousands of companies operating not only in Great Britain but in all parts of the world, which, being domiciled in London, contribute to the Imperial Exchequer. These factors have made it possible for the Chancellor to balance the budget with ease as well as to provide this year's quota for the rearmament programme."

Enumerating other economic factors by which the British Government had assisted business, Sir Charles added: "Many of the changes which I have mentioned have taken years to accomplish, and many amendments have been made to acts which have been on the statute books for years. This has meant the building up of a Civil Service competent to administer all the various activities of the Government dealing with unemployment, old age pensions and the regulation of the finances of the counties and towns in an orderly manner by the Treasury. I mention these points because we have a Royal Commission to investigate such questions and there are many matters of this kind with which that Commission may be called upon to deal."

Public's Deposits of $681,000,000 Are Not "Fountain Pen Money"

General Managers Discuss Commercial Loans, Business Trends and Public Financing—Wider Distribution of Government Bonds Desirable

Substantial increases in total assets, in deposits, and in commercial loans, were revealed in the financial statement presented at the Bank of Montreal's 120th annual meeting by Jackson Dodds, general manager. Presented also on behalf of his fellow general manager, G. W. Spinney, Mr. Dodds' report showed that the assets of the bank had risen by $24,500,000 to $829,600,000, the highest figure since 1929.

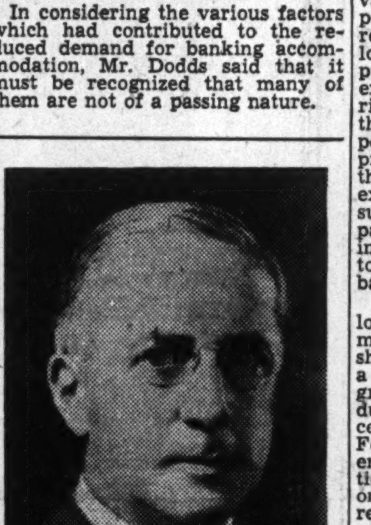
One of the most important features of the statement was the increase shown in current loans in Canada of more than $23,000,000 to $182,500,000. For the year ended September 30, the current loans of all the Banks had increased by $75,500,000. While this increase was welcome, said Mr. Dodds, it was not commensurate with the growth in the volume of business and the improvement in commodity prices.

On the basis of the usual relationship between the trend of loans and volume of business, commodity prices considered, the banks in September, 1937, he said, should have been able to report commercial loans at about 92 per cent of the total in September, 1929. Actually, the total was only 55 per cent of the 1929 figure.

Pointing out that the ratio of the Bank's investments to deposits was 60 per cent, Mr. Dodds said: "This is much higher than we would like it to be; we would prefer to have a larger proportion of our funds out in loans for productive and business purposes. But it is beyond the power of a commercial bank to increase at will its total of safe loans; the initiative lies with the borrowers. A commercial bank cannot afford to have idle money on its hands beyond the amount required to meet ordinary withdrawals and for cash reserve purposes."

MANY FACTORS IN LOAN SITUATION NOT TEMPORARY

In considering the various factors which had contributed to the reduced demand for banking accommodation, Mr. Dodds said that it must be recognized that many of them are not of a passing nature.



G. W. SPINNEY

"On the other hand," he pointed, "thanks to invention and scientific research, new industries are always coming into being, resulting in new sources of business for the banks.

"One does not need to look back many years to the birth of the automobile and motion picture industries, aeroplane building, radio, rayon and cellophane manufacturing, the providing of homes with electric appliances and artificial refrigeration, and the introduction of air-conditioning—to mention only a few. Yesterday's luxuries are today's necessities and the same will be said tomorrow.

"During the past 120 years the Bank of Montreal has kept abreast of the changing times, consistently taking its full part in aiding basic productive pursuits, old and new industries, trade and commerce. Banking is an essential part of the intricate machinery of industry and business—in addition to supplementing capital employed, commercial banks provide many other necessary facilities and services, at a cost to clients which represents relatively their smallest item in operating expense.

BANK'S ASSETS 79.58% LIQUID

The assets of the Bank, standing at $829,600,000, were the highest since 1929. Of this amount $599,000,000 represented quickly available resources, equal to 79.58% of liabilities to the public, amounting to $752,736,000.

The large portion of liquid assets is made up of investments which, not exceeding market value, amount to $437,700,000. Included in this total are Dominion and Provincial government securities, $344,900,000.

"This extremely strong position," said Mr. Dodds, "is beyond ordinary needs and reflects the fact that the demand of our customers for loans for commercial purposes is still considerably below normal."

DEPOSITS SHOW INCREASE

Among other highlights, the statement presented by the general manager showed that deposits by the public had increased by $28,000,000 to $681,000,000. Commenting on this item, Mr. Dodds said: "Despite all that is written and said nowadays on the subject of 'loans creating deposits,' 'fountain pen money' and 'monetizing' assets, including what is described as 'our cultural heritage,' it is safe to say that not one of our customers, whose balances make up our total of deposits by the public, has any doubt whatsoever as to how his or her deposit came into being."

PROFITS SHOW MODERATE INCREASE

The profit and loss account showed net earnings, after deducting Dominion and Provincial taxes, at $3,406,328, as compared with $3,181,501 in 1936—an increase of $226,827.

In commenting on profits, Mr. Dodds pointed out that Dominion and Provincial taxes for the year, without taking into consideration taxes paid to municipalities, amounted to over 27 per cent of the Bank's net profits, or over 32 per cent of the dividend.

TRADE AND COMMERCE

Returning to the industrial and business life of Canada, Mr. Dodds said: "Business activity continued to show, during the first eight months of 1937, striking increases over the respective parallel periods in 1936. Nevertheless, recession appeared this year three months earlier than it did last year.

"This earlier decline was due to various factors, including lower exports of wheat, of which Canada has relatively little to sell this year, and lower prices latterly for basic exports. Both exports and imports exceed last year's figures, but the rise in imports has been more rapid than the rise in exports—and exports have recently fallen off from preceding months—with the result that for several months the excess of exports over imports has been substantially less than in the comparable months of 1936, although the increase this year in revenues from tourist traffic may have restored the balance.

"The mining industry, despite lower prices now ruling for base metals, should make a profitable showing, having had the benefit of a higher level of prices for the greater part of the year; gold production to the end of September exceeded last year's by over 9%. Forest industries have been actively employed; there has been a reduction in the number of employables on relief; and car loadings, until recently, showed wide advances over 1936."

HOME IMPROVEMENT PLAN

Commenting on the Home Improvement Plan, the general manager said: "Taking into consideration that the plan was not launched until near the end of 1936 and little outdoor work was possible until the spring of 1937, the fact that about 30,000 individual loans were made to October 31, augurs well for the success of the plan.

"The effect on unemployment and the economic life of Canada cannot but be beneficial, and we are happy to have been able to aid the efforts of the government in this direction. We have given our full co-operation and you will be interested to learn that of all loans granted under the plan, over one-fifth has been made by the Bank of Montreal."

INVESTMENT MARKET INCREASINGLY RESTRICTED

On the subject of investments, the general manager said that the market for high-grade bonds was becoming increasingly restricted and the absence of wide distribution of new issues more and more apparent.

"The low yields," he observed, "have failed to attract private investors, many of whom have drifted into speculative issues, in some cases with unfortunate results. A wider distribution of government issues is most desirable, not only from the point of view of encouraging thrift and a potential wider market in times of stress, but in order to maintain an identity of interests between the citizen and the state.

"This would make for a higher sense of responsibility on the part of the citizen and result in less pressure being brought to bear on governments to spend public moneys.

"The recent appointment of a Royal Commission on Dominion-Provincial Relations," he continued, "affords an opportunity to all qualified bodies and individuals to assist by submitting carefully prepared contributions for study and consideration by the Royal Commission in the hope that a way may be found to arrest the growth of government debt, the duplication of functions of governments and the overlapping of taxation."

FUTURE DEVELOPMENTS DIFFICULT TO DISCERN

Passing to the world situation, Mr. Dodds expressed the feeling that at no time perhaps had it been more difficult than at present to review developments adequately and to see into the immediate future.

"During the past year international problems have continued to complicate the general situation," he continued. "Arming is general and Britain's prime minister said recently that until the world returns to sanity there can be no halt in the process of rearming Great Britain.

"National aspirations and the economic difficulties which the French government continues to make strenuous efforts to overcome are also sources of concern. On the other hand, mainly through the strong and determined attitude of Great Britain, serious international complications over the Spanish War have so far been avoided.

"In world trade there has been a definite upswing during the past two years from the low levels of the crisis period, but though the trend is more favourable, much remains to be achieved in the revival of international commerce."

HIGH PRAISE FOR EMPLOYEES

In concluding his remarks, the general manager paid high tribute to the staff. "In point of esprit de corps, loyalty, courtesy and efficiency," he said, "the staff cannot but be a matter of pride and satisfaction to you as shareholders. The Bank's most valuable asset does not appear in the balance sheet—its most profitable investment is the care and attention devoted to the selection, training and welfare of the staff."

In discussing staff matters, Mr. Dodds said that young men entering the Bank's service became members of the Bank of Montreal Pension Fund Society and had the satisfaction of knowing that they would be provided for upon retirement from active duty or, on a proportionate basis, any time after ten years' service if incapacitated.

"In addition," the general manager said, "the fund provides for widows and minor children. Group life insurance at low premium rates is available to members of our staff and a considerable portion of the cost is borne by the Bank. When sick, generous leave of absence is granted with pay and it is a rule of the Bank that annual vacations must be taken. There is also group accident and sickness insurance at low premium rates available to the staff.

"Permanency of employment, in particular, is a feature of this Bank's policy. Surplus officers during depression periods are not discharged to join the ranks of the unemployed, and resignations are requested only in the event of dishonesty or incompetency."

Political Reaction To New Trade Treaties Awaits Full Details

(Continued from page 11)

Since the reciprocity issue has been raised again, it may be well to review briefly the vital elements in the campaign of 1911. The issues as raised by the opposition and which won the day at that time, may be stated as follows:

1. That a treaty with U. S. A. contained no element of permanence.

2. That such a treaty involved commercial separation from the Empire.

3. That it meant a divided Canada.

4. That its ultimate end was annexation.

Old Issues Raised

Some comment as to the extent to which these issues are vital today is therefore in order.

Take the question of permanence. No negotiations between Canada and the United States or between United States and any other country, for that matter, can be divorced from this contention. United States has always been notoriously unstable in its international commitments. Today, however, the existing presidential authority to negotiate pacts for a three-year duration and to reduce tariff by a maximum of 50% is the most liberal, far-reaching power ever given a United States chief executive. Canada's present pact with United States expires Jan. 1, 1939. If a new and satisfactory agreement can be negotiated within the next three or six months it will presumably extend through until 1941; or until a year after the next United States presidential elections.

As this presidential authority is temporary and also in view of the growing opposition throughout the United States to further trade agreements, it would seem the part of wisdom for Canada to negotiate a new treaty as quickly as possible—assuming, of course, that the new treaty is reasonably satisfactory.

Separation From Empire

Take the argument of commercial separation from the Empire.

Admittedly Canada's commercial relations with Great Britain have been strengthened since the Ottawa pacts of 1932. It is also generally admitted that the bargain Canada drove at that time in her agreement with Great Britain was strongly in Canada's favor. To rectify this and lay the basis for a better trade distribution in the future, a new pact was negotiated and signed this year.

Most people believe that this rewriting of the Canada-U. K. agreement was a further step in the right direction—a further step toward strengthening rather than weakening Empire bonds. By the same token, a rewriting of our agreement with Great Britain at this time to pave the way for a larger measure of world trade and co-operative action between these three great trading nations and the world at large, is argued to be also a constructive move—a move which while involving some sacrifice of Canada's preference in the U. K. market would nevertheless strengthen the bonds of Empire and lay the basis for greatly extended trade in the next few years.

If Canada is selling quality products and merchandise in a business-like way in Great Britain at the present time there should be little to fear from new U. S. competition. If she is not meeting reasonable commercial standards in some lines, but is making sales by reason of a protective preference in that market she has little permanent hope of retaining such business in any event.

Division and Annexation

Two remaining features of the 1911 campaign are that a treaty with the U. S. would mean a divided Canada and that it would mean eventual annexation of Canada by the States.

As to the annexation issue there are many who believe (after 25 years' reflection) that it was little more than a bogey, even at that time. Today they hesitate to take it seriously as an issue although admitting its potentialities as a political war-cry.

A somewhat similar attitude prevails regarding the effects of freer trade with the United States as tending to split this country sectionally. As yet there is little evidence that the present treaty with the U. S. has had that effect; and this despite the fact that today's agreement is said to be much more generous to the United States than the one which Mr. Bennett attempted to negotiate in 1935.

The Liberal Revolt

One highlight of the 1911 campaign was the revolt of a number of prominent Liberals against the Laurier Government which negotiated the agreement. This revolt was led by Sir Edmund Walker who with 17 other prominent Toronto Liberals published a manifesto setting forth their objections to the Government policy. Signers of the manifesto included John L. Blaikie, W. D. Matthews, W. K. George, Z. A. Lash, W. T. White (now Sir Thomas), George P. Somers, R. F. Gourlay, Sir Mortimer Clark, K.C., R. J. Christie, Hugh Blain, H. S. Strathy, L. Goldman, G. A. Somerville, J. D. Allan, E. R. Wood and John C. Eaton.

Others who supported the revolt, but did not sign the manifesto included T. A. Russell, John R. Booth, R. M. Balantyne, Colonel W. M. Gartshore, George McLaughlin, E. M. Trowern, George E. Goldie and David Maclaren. Few of these men are living today, but those who have replaced them in high Liberal counsels show no indication to date of a similar revolt.

Perhaps one reason is because as yet there has been no indication from Ottawa as to what concessions Canada is planning to make to achieve a new Canada-U. S. agreement and to pave the way for a trade pact between United States and Great Britain. This is one point upon which Canadian manufacturers take issue with Government policy. They believe they should be consulted more freely in whatever negotiations are under way. Curiously enough, the recent successful Liberal candidate in the Victoria by-election is R. W. Mayhew, vice-chairman of the Canadian Manufacturers' Association, British Columbia division.

Canada Dominates Situation

Undoubtedly Canada is at present in command of this whole situation. It may be many months before the average Canadian realizes the tremendously vital issues involved—realizes that this is much more than a matter of economic bargaining. Experience of 1911 would indicate that the whole issue may easily be distorted and get out of hand if political issues such as the reciprocity campaign of 1911 are allowed to run rampant.

Inter. Coal & Coke Dividend Rate Doubled

A dividend of 2 cents per share has been declared by International Coal & Coke Co. payable Dec. 15, 1937, to shareholders of record Dec. 13. Last previous payment was 1 cent per share in Mar., 1936.

DIVIDEND NOTICES

Canadian Celanese Limited
1401 McGill College Avenue, Montreal, P.Q., Canada

December 6, 1937

Income Funding Rights

The Board of Directors has this day fixed March Fifteen, Nineteen Thirty-Eight as the date on which payment of interest in respect of Nineteen Thirty-Seven will be made to the holders of income funding rights of record at the close of business on December Thirty-One, Nineteen Thirty-Seven.

Seven Per Cent Cumulative Participating Preferred Stock

The Board of Directors has this day declared on the seven per cent cumulative participating preferred stock of the company, a quarterly cumulative preference dividend of one dollar seventy-five cents ($1.75) per share on said stock, which shall be deemed to be for the three months period October One, Nineteen Thirty-Seven to December Thirty-One, Nineteen Thirty-Seven, payable December Thirty-One, Nineteen Thirty-Seven, to holders of record at the close of business on December Seventeen, Nineteen Thirty-Seven.

The amount of participating dividend to which the holders of the seven per cent cumulative participating preferred stock of the company are entitled for the year Nineteen Thirty-Seven will be determined when the accounts for the year have been closed.

Common Stock

The Board of Directors has this day declared a dividend of forty cents (40c) per share on the common stock of the company, payable December Thirty-One, Nineteen Thirty-Seven, to holders of record at the close of business on December Seventeen, Nineteen Thirty-Seven.

LEE CADIEN,
Secretary.

"SUPERTEST" PETROLEUM CORPORATION LIMITED

Notice of Dividends

"B" PREFERRED

A half-yearly dividend at the rate of 6% per annum on the Class "B" Preferred stock of this corporation for the half-year ending December 31, 1937, has been declared, payable January 3rd, 1938, to shareholders on record at the close of business December 17, 1937.

COMMON AND ORDINARY

The Board of Directors has declared a half-yearly dividend of 50c per share and an extra dividend of 25c per share on the Common and Ordinary stock of this Corporation for the half-year ending December 31, 1937, payable January 3rd, 1938, to shareholders on record at the close of business December 17, 1937.

SHARE WARRANTS

Share Warrant holders will present coupons, serial number 36, to the Canadian Bank of Commerce, London, Ontario, and branches in Ontario and Quebec on and after January 3rd, 1938, where payment will be made at par.

EXCHANGE OF SHARE WARRANTS

Holders of Bearer Share Warrants after having detached coupon No. 36 are requested to forward the balance of the Share Warrant including the talon, to the Transfer Agent—THE CANADA TRUST COMPANY, 14 KING STREET EAST, TORONTO 2, ONTARIO, on or after JANUARY 3, 1938, where same will be exchanged without charge for new warrants with a further supply of coupons attached.

The Warrants may either be forwarded through your Bank or may be presented in person to the said Transfer Agent.

WARRANTS FORWARDED BY MAIL SHOULD BE ACCOMPANIED BY A LETTER GIVING THE NAME AND ADDRESS OF PARTY SENDING SAME. AND BE REGISTERED AND INSURED. It is suggested that the holder make a record of the numbers of his or her Warrants before mailing.

The Corporation is not responsible for Warrants in transit to and from Transfer Agent.

By Order of the Board,
JAMES D. GOOD,
Secretary-Treasurer.
London, Ontario, December 6, 1937.

DIVIDEND NOTICES

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 37) of 1¾% upon the outstanding Preferred shares of the Company has been declared payable on the First day of January, 1938, to Shareholders of record at the close of business on the 15th day of December, 1937.

NOTICE IS ALSO GIVEN that a Quarterly Dividend (No. 33) of 20c per share on the No Par Value Common Shares of the Company, issued and outstanding, has been declared, payable on the 31st day of December, 1937, to Shareholders of record at the close of business on the 15th day of December, 1937.

NOTICE IS ALSO GIVEN that a special Dividend (No. 32) of 25c per share on the No Par Value Common Shares of the Company, issued and outstanding, has been declared, payable on the 22nd day of December, 1937, to Shareholders of record at the close of business on the 15th day of December, 1937.

By Order of the Board,
I. N. WILSON,
Treasurer.
Calgary, Alberta,
December 7th, 1937.

GIVE HIM A Constant and Useful Reminder of Your Business and Personal Good Wishes . . .

WHETHER he is a valued client or customer, a loyal employee or a very special friend, he will appreciate a year's subscription to Canada's foremost national newspaper . . .

THE FINANCIAL POST

Incidentally, if YOU are not a regular reader of THE POST, why not give *yourself* a break?

THE FINANCIAL POST,
481 University Avenue,
Toronto, Canada.

$5 A YEAR

Herewith $............ Enter a year's subscription to The Financial Post for the following and send a separate Gift Card conveying my personal Greetings and Good Wishes, to arrive just before Christmas Day.

Name .... Name ....
Address .... Address ....
Name .... Name ....
Address .... Address ....
Name .... Name ....
Address .... Address ....

Gift Card to Carry the Personal Greetings of
Name ....
Address ....

864

Realities in Real Estate — 7

Slum Clearing — Does It Pay?

Many Factors Complicate Canadian Problem of Providing Low-rent Housing for Poor

THE air is full of excited angry talk about slums, but what are Canada's slums really like?

On one thing, most sober observers are now agreed; with the exception of a very few districts in one or two of the very largest cities Canada's slums are not like Europe's

In Europe, the slum clearance programmes have the task of wiping out block after block encrusted with the filth of centuries.

Canada's youth is in her favor. We lack the pressure of population and, in the past, the widespread and continued poverty which jams whole blocks of tenements and "rabbit warrens" with wretched humanity.

Canada has slums, but if by that word is meant whole city areas that need purging, her problem is not very great.

The big Canadian "slum" problem is less with whole districts than it is with individual houses, a row of tenements here and there, occasional "shack towns."

I use the word slums here, then, in the broad sense of houses in which general public sentiment says it is not right for human beings to live.

Place in Real Estate Picture

Slums occupy an important, if tragic, place in the real estate picture.

Of all other "things," houses are in one respect almost unique. The land on which they stand is indestructible. Houses themselves have a life which cannot be measured by ordinary standards. When the roof leaks in one spot Mr. A, who is in one income bracket, moves out, but Mr. B, who is in the next lower income bracket, moves in. When there are three leaks in the roof and the floor breaks through, Mr. B moves out, but Mr. C moves in—and so on down the scale.

Because ability to pay slides all the way down the scale to zero, there is still a demand for the very cheapest, therefore the oldest and worst house.

There are several kinds of slums.

In every city, there are areas, which began as high class residential districts, but from which successively lower income groups have fled as business advanced. The poor are always there to fill up the gaps. For the owners, the small and uncertain rents of the poor frequently do nothing more than help pay carrying charges. Because the landlord of this type of property usually hopes that commerce will want his residential property the year after, if not next year, he spends the very minimum on upkeep and his property sinks into an increasingly worse state of dilapidation.

Another kind of slum is in many cities now associated with large estates where heirs are encumbered and, in recent years, doubtfully enriched by blocks of tenements and houses which were once healthy money makers, but which have gradually fallen in desirability into the slum category.

The "shack town" is a third kind of slum. Here it is often some corporation's temporary housing scheme for its construction employees turned to permanent use. Sometimes it is the graveyard of the low wage earner's savings where he had fought for a home of his own and had not counted on unemployment or other wreckage of his hopes.

First construction is in this case usually to blame. Thrown together for speed and cheapness "shack towns" are doomed to be slums the day they are born.

One Thing in Common

One thing nearly all slums have in common. Some owner, away back got "his" out of them. They have paid for the entire original cost of the land and buildings, upkeep and taxes. In normal times, a house will do this in about 10 to 15 years. But some slums have been paying for 20, 40, 80 years. In other words, they have paid time and time again. Owner after owner may have got a profit out of them. That does not help the present owner, who may have paid a high price for his property.

That is why there is now such a wail from some slum owners. Many, probably most of them, have finally got stung.

The fate of real estate in general in the depression is one reason. The slum property business frequently depended on fast turnover and a highly liquid real estate market. The depression froze it.

Unemployment first of all and most severely hit the dwellers of this type of property. True, after a couple of years, relief systems were organized, but welfare authorities only in the rarest of cases gave rent allowances as high as the slum landlord formerly received.

Often rent allowance was about 80% of the old scale. In Toronto, for instance, it has been estimated that the average relief tenant moves a little more than twice a year. Frequently the landlord loses a whole month's rent or gets only a portion of his allowance.

At the same time, taxes soared, largely because of these relief costs and the landlord saw himself making a double contribution—through lower and often uncollected rents, and through higher taxes.

New Source of Attack

Now, the slum landlord is alarmed from another source. It is not merely increasing sentimentality as some call it for the plight of the poor that is behind the drive for slum clearance. True, some of the housing and slum clearance schemes are merely the frothy enthusiasms of sentimentalists.

Because of the widespread sentiment that slum clearance, whatever it means or involves, is a good thing, petty politicians have been finding magniloquent schemes first rate vote catching bait.

Fortunately, the expert brains which are being applied to the problem base their efforts on something more than sentiment. Alone, sentiment may be reason enough for doing something about slums, but the cost to the community as a whole is an argument that wins where the other alone would not.

Today the dollars and cents as well as the social cost of slums is widely realized. Slums breed crime and crime costs money for all taxpayers. Slums breed disease and now everybody has to help support the impoverished sick. Slums make less desirable citizens and now everybody has to help support the out-of-works and these who need moral repair.

Food, clothing and shelter are the three fundamental needs of mankind. Canada has assumed responsibility for the food and clothing of those who can't feed and clothe themselves. Through rent allowances, the nation has in a measure assumed responsibility for shelter also. Slowly out of the vagueness seems to be coming whether we like is or not, the clear, frank declaration of the state. Where the poor live is our business.

Slum Clearance Problems

Through the murk of "schemes," "experiments" and electioneering come some difficult problems about slum clearance.

First, the cost. Slum dwellings have paid over and over again and don't owe the world a cent. But they may owe present owners a good deal for some of those owners have bought at high prices and have since received low and uncertain returns.

Simple confiscation of slum properties has not been seriously considered. Effective and simple, if not dramatic enough for some reformers is the method being used in Toronto. There, it was found that a great deal could be done by dealing with individual houses and that the sweeping away of whole blocks was infrequently practicable. It was also found that already on the law books was enough legislation to do the work.

Enforcement of city by-laws is the method. Building inspectors were prodded into greater activity. They were ordered to enforce regulations about sanitation, state of repair and so on. Health inspectors backed them up. Under a campaign of pressure backed up by the frequently used weapon of condemning a house to destruction as unfit for human habitation, the slum owner has been forced into improving his dwelling out of the slum class. Slowly but at no expense to the public and with a minimum of dislocation to the real estate situation at large, the slum dwelling is being renovated. Some argue that this is just a perpetuation of the slums.

Unfortunately, in not a few individual cases this pressure has produced very real hardships. Owners who bought at the inflated values of the middle twenties see the chance of coming out clear on their investment worse than ever.

Slum Dwellers' Habits

The validity of the slum owner's other complaint that slum dwellers' living habits would make a slum of any place they were put, is questioned by many. But Europe's method of dealing with this problem indicates that they are fairly correct. When slum dwellers are suddenly elevated to model housing units in most parts of Europe, they are generally subjected to a probationary period of training in which "visiting homemakers" make frequent calls helping the ex-slum dwellers learn to live in a modern civilized way.

The complaint of the slum owner who is forced to put in a new bathroom and soon afterward comes round to find his house empty of both tenants and new bathroom fixtures (which has happened more than a few times) is, however, not hard to understand.

Simple as Toronto's scheme has proved, it has little vote catching appeal for the classes which would be potential tenants of the beautiful low cost house colonies that make such pretty pictures in the rotogravure.

True, neat new houses with green lawns rising on the land from which had been swept the slums of today does make a nice Utopian picture. It is so appealing we think we might want to rent one of those houses ourselves.

Which is one of the big troubles with housing schemes! New houses, built, even on so called minimum standards, are so much more desirable than those in which the vast number of families live, that almost everybody save those for whom they were intended—the poor—want to live in them.

Equally serious is the effect of housing schemes on other dwelling property. Whole near-by property might temporarily enjoy a slight rise in value, rents in the medium and low bracket would fall along with property values. The poor, put out of their old slums, move into near-slum property and soon the city has a completely new batch of slums.

Rents Uneconomic

A major difficulty with housing schemes is that no house that provides the "minimum" necessities can be rented—on a business basis—cheaply enough to permit the "poor" to live in them.

Lowest estimates for building "minimum" houses of three rooms, and bathroom on low price land in a big Canadian city were around $2,700. That was months ago and labor costs have been rising sharply. Lowest economic rent for those places would be $22 to $25 monthly. Yet the really low income group for whom these housing schemes are intended can pay only $12 to $15 monthly.

With free land, 50% remission of taxes and loaned money at 2½% the experts were able to get the monthly cost down to $17.50, still high. U. S. housing schemes demonstrate the same fact. The "model" houses proposed last spring for the housing scheme which now seems about to be born, were to be limited to $4,000, hopelessly out of reach of the low wage earner. The New York housing authority, before building costs had risen greatly, decided the best it could offer in housing schemes was $5,000 per unit.

It is now taken as axiomatic in the housing field that if and when the poor are to be housed in what is considered "minimum" houses, the Government will have to put up the money to finance it.

What is the conclusion, then, that can be drawn about the whole subject of slum clearance and housing?

Humanitarian regard for the welfare of others will be enough for some. For others, the dollars and cents cost of slums to the community at large will be convincing.

But almost any important housing scheme will cost the taxpayer money.

Canada's national low-cost housing scheme which, many expect, will be implemented at the forthcoming session of the federal parliament is along very similar lines to the U. S. scheme and is as good as any so far devised for meeting the problem.

The plan is based on the fact that the poor cannot pay enough rent to live in houses considered "minimum." It has been frequently suggested that the unemployed be put at building low-cost housing, but there has been an immediate outburst of protest from the labor unions.

Under the scheme the Government does not enter the building business. That is left to private builders working under specially formed municipal corporations, and the builder is expected to make a profit.

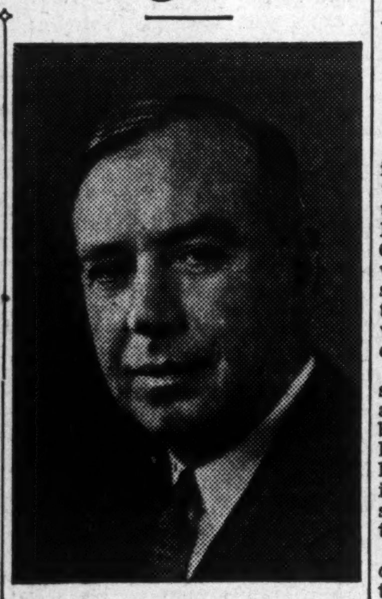
Attempts will be made to see that only those for whom the houses are intended — the low income groups—have the privilege of living in them.

Undoubtedly, building 50,000 houses at a total construction cost of $125 millions would do much for Canadian business. The construction trades would prosper. The long-expected and long-predicted real estate boom would appear to have arrived.

At the same time, the slum, near-slum, and near-near-slum owners would very clearly see that their cake is dough, that like other depression victims, the time for their stinging was at hand.

Royal Trust Manager Has Wide Background

R. L. Crombie Appointed Toronto Head Nine Months Ago



R. L. CROMBIE

Executive direction of the Toronto offices of The Royal Trust Co., now established in larger quarters in the new Royal Trust Building, is in the hands of R. L. Crombie, a native of Ontario with a quarter century of experience in banking, the bond business, and trust company service in both Ontario and Quebec.

Mr. Crombie was appointed Toronto manager last March, after serving for some years as one of the four assistant managers at the company's Montreal branch.

Born at Picton, Ont., 50 years ago, he is the son of the late R. J. B. Crombie, who served as manager of Bank of Montreal branches at Picton, Belleville, Kingston, and other Ontario points. After attending Lakefield Preparatory School and the Rothesay Collegiate School at Rothesay, N.B., Mr. Crombie joined the staff of the Dominion Bank and served in branches at Montreal, Hamilton and Toronto (City Hall branch).

War Service

Several years before the war, he left the bank to enter the bond business in Toronto and subsequently formed the firm of Gibson, Crombie & Co. During the war, he served in England, France and Belgium with the Sixth Field Company of Engineers, of the Second Division, toward the end of the war being transferred to the Reserve Brigade of Canadian Field Artillery before being invalided home.

Mr. Crombie joined the staff of the Royal Trust Co. in 1919, and served as manager of the real estate and mortgage department at Montreal before being appointed assistant manager. In the latter capacity, he was in charge of a variety of divisions of the company's services, including guaranteed funds, call loans, income tax, and corporate business.

As in the case of other branches of the company across the Dominion, Mr. Crombie is assisted in direction of the company's affairs in Toronto by an advisory board. The Toronto advistory board consists of W. T. A. McFadyen, chairman; Col. Henry Cockshutt, Gordon F. Perry, H. F. Skey, and Bruce L. Smith, whom Mr. Crombie succeeded as Toronto manager.

Manitoba Power Board Limits Field of Activity

From Our Own Correspondent

MONTREAL. — Manitoba Power Commission will not sell electrical energy to the municipality of Greater Winnipeg. This decision was announced as a result of an application made by municipality of St. Vital, whose contract with the Winnipeg Electric Co. expires next December.

The matter was given careful consideration by the Commission, according to Herbert Cottingham, chairman. A decision was reached not to seek a contract with St. Vital. The reason given was that the commission believes it best to use all available funds in extending hydro lines to Manitoba communities now without electrical services.

Loblaw Groceterias Co. Gives Employees Bonus

Employees of Loblaw Groceterias Co. are benefitting to the extent of $30,000 from distribution of the profit-sharing bonus fund set up for the year ended May 31 last. Participating in the bonus are all employees who joined the company's staff on or before that date, those with service of a year or more receiving a week's pay and those on the payroll for six months and less than a year getting half a week's wages.

The distribution parallels the bonus payable to shareholders Dec. 1, amounting to 12½ cents a share in addition to the regular quarterly dividend of 25 cents.

B. C. Amends Its Labor Law

Unions Will be Required to Account for Members' Dues

From Our Own Correspondent

VANCOUVER.—Definitely rejecting the trades union bill offered by the C.C.F. which would formally recognize labor organization in British Columbia, the Provincial Government has decided to go ahead with a bill of its own—in some respects the most drastic ever submitted to a legislature in Canada, providing for compulsory arbitration of labor disputes.

Under the terms of the new law strikes will be outlawed pending arbitration before a permanent board. The bill is patterned roughly along the lines of the New Zealand labor arbitration bill, although it does not go so far as to forbid strikes in defiance of official arbitration rulings.

The Government plans to put a closer check on labor activity and to impose greater responsibilities on unions, similar to conditions prevailing in Great Britain. They will be required to advise the Government of their operations and reveal how members' dues are spent.

The new legislation would replace the Federal Lemieux Act, regarded as unsatisfactory here because it can be invoked only with the consent of both parties.

Remington-Rand Reduces Dividend

Remington Rand Inc. has declared a dividend of 25 cents a share on its common stock, payable Jan. 3, 1938, to shareholders of record Dec. 13, 1937.

This is a reduction from the last previous payment of 35 cents a share made on Oct. 1. The payment made July 1 was for 25 cents a share.

Quebec Enquiry Board Favors General Sales Tax

From Our Own Correspondent

MONTREAL.—A general sales tax in Quebec province is recommended in the report of the Provincial Commission appointed to investigate the position of the small property holders. At present Montreal is the only city in the province with the sales tax, but if the Commission's recommendation is carried out, the tax will be province-wide.

The Commission, set up last January by Premier Maurice Duplessis, was charged with examination of all conditions affecting the province's small property owners.

In about 70 public and private sittings, the body studied possible revision of various taxation systems and looked into proposals for urban credit machinery. It reported disapproval of any urban credit set-up backed by the Government.

The recommendations included establishment of proportional and progressive municipal and provincial taxation, taxes on the equipment of public service companies, scientific assessment of real estate, taxation for school purposes of all classes of society.

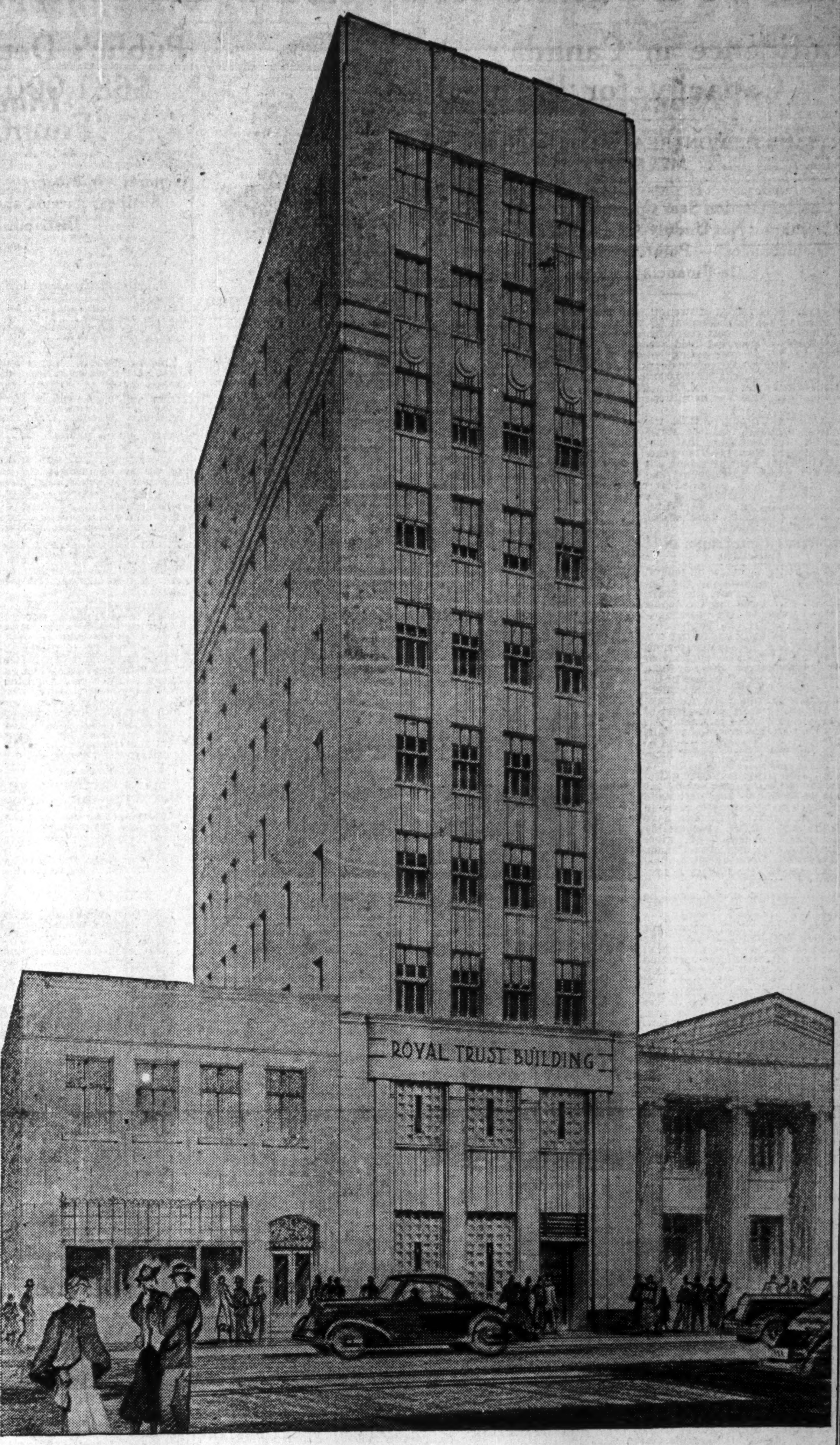
Favored, too, was the suggestion that municipalities be allowed to borrow, under long term agreement with the banks, up to the amount of their uncollected tax bill.

Commission members were unanimous in indicating disfavor of a Government system of urban credit for the province. Government-guaranteed or Government-supported credit in this direction, it was contended, would bring "only temporary relief to the little property holders."

Recommendations were made for long-term mortgage amortization because of the need for abandonment of short-term debts.

Establishment of long-term amortization by the Government would provide authorities with a powerful instrument to transform their debts and ameliorate the lot of the small property owner.

The Commission also recommended that residential property owners be given exemption from collective labor agreement provisions when hiring labor strictly for property maintenance work.



Allward & Gouinlock, Architects

We take pleasure in announcing that increased business in Toronto has necessitated a move to larger quarters.

From Monday, the 6th December, the offices of the Company will be open for business in the Royal Trust Building, at 66 King Street West.

Occupying the first three floors of the building, with Safety Deposit Vaults in the basement, The Royal Trust Company is equipped to serve its present and future clients to the best possible advantage.

THE ROYAL TRUST COMPANY

Newfoundland Settles Oil Company Dispute

Settlement of the dispute between the Newfoundland Commission of Government and the Great Eastern Oil and Import Co., arising out of the brief monopoly granted to Imperial Oil Ltd. has been achieved after protracted negotiation.

The monopoly was granted to Imperial Oil five years ago but cancelled after two years when the Commission took office. Great Eastern was given protection against loss of profits, and filed a claim for $34,000 for losses during the two years of the monopoly. The company has now settled for $22,000.

Massey-Harris Issues More Common Stock

Massey-Harris Co. has issued a further 1,698 common shares, according to an announcement made by the National Trust Co. to the Toronto Stock Exchange. [illegible] ber it was announced that 2,561 shares had been issued. Both these blocks of stocks are part of 50,000 shares set aside to be allotted and sold to officers and employees of the company under a resolution passed at the annual meeting held on March 12, 1937. The company will now have 733,658 common shares outstanding, giving effect to the latest issue.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 6

Range 1937 High	Low	Div. R'te $	Dec. 4 Y'ld %		Sales	Last Nov. 29	Week end. Dec. 6 H	L	Cl'se
				A					
15½	1½	.	...	Abitibi	7805	2	2	1½	2
80	17½	.	...	Do. pref. 6%	3085	20½	21	20	20½
97	35	.	...	Do. pref. 7%	....	(35 Nov. 9)			
79½	17	.	...	Do. cert. dep.	....	(19 bid — asked)			
6½	2½	30c	...	Acadia Sugar	....	(2½ bid — asked)			
18½	9	50c	5.5	Acme Glove	....	(5 bid 8 asked)			
94	75	6.50	7.7	Do. pref.	....	(— bid 75 asked)			
12	8½	60+30c	..	Agnew Surp.	....	(10½ bid 11½ asked)			
110	103½	7	6.7	Do. pref.	....	(103½ bid — asked)			
7	1½	.	...	Alta. Pac. Gr.	....	(2½ bid 2½ asked)			
43½	9	.	...	Do. pref.	....	(12 bid 17 7asked)			
135	67	.	...	Aluminum	....	(66 bid 70 asked)			
130	118	6+27.75▲	...	Do. pref.	....	(122 Nov. 9)			
7	4	.	...	Amal. Electric	....	(— bid 5 asked)			
31	25	.	...	Do. pref.	....	(27 bid — asked)			
[illegible]									

...

Range 1937 High	Low	Div. R'te $	Dec. 4 Y'ld %		Sales	Last Nov. 29	Week end. Dec. 6 H	L	Cl'se
95	95½	5	1	Waterloo Mfg.		(4 bid 5 asked)			
12½	3	.	...	West. C. Flour.	....	(— bid 39 asked)			
90	33	.	...	Do. pref.	....	(— bid 50 asked)			
71	57	3	5.3	West Grocers	....	(— bid 117 asked)			
125	107	7	6.5	Do. pref.	435	10½	10½	10	10½
18½	9½	80+10c	..	Weston Ltd.	40	35	82	82	82
106½	82	5	6.1	Do. pref.	....	(4 bid — asked)			
8	4			Windsor Hotel	....	(8 bid — asked)			
23	7	.	...	Do. pref.	346	2½	2½	2½	2½
10½	2	.	...	Winnipeg El. A.	180	2½	2½	2½	2½
10	1½	.	...	Do. (B)	5	13	12	12	12
44	10	.	...	Do. pref.	5	65	65	65	65
76	53	5.25▲	...	Wood, A. & J. p	....	(— bid 60 asked)			
85	50	.	...	Woods Mfg. pf.					
				Y					
5½	5	.	...	York Knitting	....	(4½ bid — asked)			

† 1936.
▲ On account of arrears.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.
▪ Of which $2 is capital distribution.
b New York quotations.

Mining Stock Quotations

WEEK ENDED DEC. 6

Par Val.	Range 1937 High	Low	Company	Sales	Close Nov. 29 (or last)	High for week	Low for week	Close Dec. 6
[illegible]								

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Dec. 7, 1937

Public Utility Issues	Int. Rate %	Due	Bid Dec. 7	Asked	Bid Nov. 30
†Assoc. Tel. & T.	5½	'55	72	75	72½
Beauharnois P.	5½	'73	65	68	61
‡Bell Telephone	5	'57	118	121	118
B. C. Power	4½	'60	98½	101½	98
B. C. Tele.	4½	'61	104	107	104
‡Calgary Pwr.	5	'60	95½	98½	95
†Can. Nor. Pwr.	5	'53	102½	105½	102½
‡Dom. Gas & El.	6½	'45	74½	77½	74
‡Gatineau Pwr.	5	'56	102	105	102
†Do., A	6	'41	100½	103½	100
‡Inter. Hydro-E.	6	'44	66½	69½	64
†Macl'n-Que. Pr.	5½	'61	101	104	100
†Mtl. L., H. & P.	3½	'56	100	103	100
†Mtl. Tramways	5	'41	99½	102½	99½
N. S. Lt. & Pr.	4	'57	97	100	97
†Ottawa V. Pwr.	5½	'70	104½	107½	104½
†Power Corp.	4½	'59	99½	102½	99½
Que. Pwr.	4	'62	94	97	94
Saguenay P., B	4½	'66	101½	104½	101
Shaw. W. & Pr.	4	'61	98	101	98
Wpg. Elec., A	4	'65	58½	61½	58½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	61½	64½	61
B. A. Oil	4	'45	102½	...	102½
Brown & Co.	5½	'46	67	70	68
Canada Bread	6	'41	107	110	107
Canada Cement	4½	'51	102	105	102
Canada Paper	4½	'52	96½	99½	96
Can. Steamship	5	'57	73	76	73½
Can. Canners	4	'51	97	100	98
‡Can. Inter. Pap.	6	'49	95	98	95
C. P. R.	3½	'51	90½	93½	89
Do.	4	'49	94	97	93
Do.	4½	'44	99	102	98
Do.	6	'42	105	108	105
Do., debs.	4	perp.	86	89	85
†Consol. Paper	5½	'61	46½	49½	46
▲Dom. Stl. & C.	6½	'55	98	101	97
Dom. Tar	4½	'51	99	102	98½
†Donnacona P.	4½	'56	75	78	74
Famous Players	4½	'51	95	98	94½
†Federal Grain	6	'49	81	85	81
†Fraser Cos.	6	'50	99	102	99
†Gen. Steel W.	4½	'52	93	96	91½
Great Lakes P.	5	'55	91½	94½	90½
†Gypsum, Lime.	5½	'48	98	101	98½
†Massey-Harris	5	'47	94	97	94
†McColl-Front.	6	'49	103	106	103
‡M. & O. Paper	6	'45	36	39	37½
Price Bros.	5	'57	97	100	96
‡Prov. Paper	5½	'47	101½	...	101½
†Restigouche C.	6	'48	97	100	96½
Simpsons Ltd.	4½	'51	93	96	93
Smith, Howard.	4½	'51	102	105	102
†Steel of Canada	6	'40	109	112	109
Union Gas	4½	'50	98½	101½	98½

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 7, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	4.40	4.80
Acme Farmers Dairy, pfd.	30.00	....
Algoma Steel, com.	7.50	8.50
Do., pfd.	47.50	50.00
Andian National	44.25	46.00
Assoc. Tel & Tel., pfd.	32.00	35.00
Barrymore Cloth, pfd.	25.25	28.00
Brandram-Henderson, com.	5.25	6.00
Do., pfd.	20.50	....
B. C. Pulp & Paper, com.	....	20.00
Do., pfd.	77.00	83.00
B. C. Sugar	95.50	98.50
Brown & Co., pfd.	31.00	32.75
Burns & Co., A	7.25	....
Do., B	2.50	3.25
Can. Wire & Cable, pfd.	108.00	110.50
Can. Airways	4.00	5.75
Can. Industries, A com.	195.00	....
Can. Ingersoll Rand	107.00	113.00
Can. Tube & Steel, com.	6.00	8.00
Do., 1st pfd.	82.00	90.00
Do., 2nd pfd.	16.00	21.00
Can. Westinghouse	50.00	52.00
Chase, A. W., pfd. bonus	27.25	....
Claude Neon, pfd.	6.00	7.50
Conduits Nat., com.	3.60	4.20
Dom. Manufacturers, com.	3.50	5.00
Dominion Oil Cloth	33.00	35.00
Dominion Woollens, com.	.50	1.00
Do., pfd.	.75	1.50
Dunlop Tire, pfd.	85.00	....
Federal Grain, com.	.90	1.35
Do., pfd.	15.75	18.00
Goderich Elevator	3.80	4.20
Guelph Carpet, pfd.	103.00	105.00
Do., com.	23.50	....
Hayes Steel Prod., com.	5.50	6.75
Do., pfd.	5.75	6.75
Highland Dairy, pfd.	74.00	79.00
Huether Brewing, pfd.	2.00	....
Kingston Shipbuilding Units	7.50	....
Loblaw Inc., pfd. bonus	73.50	80.00
McCormick's, com.	3.25	4.25
Do., pfd.	14.00	....
Morrison Brass, pfd. bonus	7.50	9.50
Morrow Screw, pfd. bonus	96.00	102.00
Mount Royal Hotel, pfd.	2.50	3.25
New Meth. Laund., pf. bon.	88.00	93.00
Paterson, Wm., pfd.	100.00	....
Perfection Pete., pfd.	20.00	....
Provincial Paper, pfd.	106.50	107.50
Reliance Grain, pfd.	....	65.00
Rob. Consol. Cone	9.50	10.25
Ruddy, E. L., pfd.	29.00	32.50
Seal O Sac (Can.)	4.50	5.50
Standard Fuel, com.	3.00	4.50
Do., pfd.	74.00	78.00
Supertest Pet., B pfd.	27.00	28.00
Toronto Carpet, com.	48.00	53.00
Do., pfd.	34.00	59.00
United Farmers Co-op.	2.60	....
United Steel, A pfd.	14.50	15.75
Viceroy Mfg., pfd. & rts.	17.25	19.00
Western Grain, pfd. bonus	5.50	7.00
West. Steel Prod., com.	11.00	12.50
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	.80	.95
Trusts and Loan Stocks:		
Chartered Trust	98.25	101.75
Commercial Fin., com.	2.60	3.00
London & West. Trust	48.00	53.00
Premier Trust	....	....
Prudential Trust	6.50	....
Sherbrooke Trust	120.00	....
Sterling Trust	42.00	....
Traders Fin., A com.	13.50	15.25
Do., B pfd. bonus	87.00	91.00
Trusts & Guarantee	26.00	28.00
Insurance Stocks:		
Canada Life	532.00	....
Canadian Ins. Shares	18.00	19.50
Confederation Life 20% pd.	110.00	113.00
Crown Life Fully Paid	190.00	....
Dominion Fire	135.00	....
Dom. of Can. Gen.	121.00	130.00
Empire Life 25% pd.	12.50	13.75
Federal Fire 25% pd.	40.00	....
Great West Life	305.00	315.00
Guar. of N.A., fully pd.	330.00	375.00
Imperial Life	340.00	355.00
Manufacturers Life	260.00	275.00
Monarch Life 10% pd.	23.00	24.50
Sovereign Life 25% pd.	15.00	17.50
Sun Life	425.00	430.00
Western Assce., pfd.	40.00	42.00
Do., com.	46.00	50.00
Theatre Stocks:		
Allens Kingston, pfd.	62.00	....
Do., St. Catharines, pfd.	61.00	....
Do., Toronto, pfd. bonus c.	34.00	....
Mansfield Theatre, pfd.	25.50	28.50
Paramount Kitchener, pfd.	47.00	52.50
Do., Oshawa, pfd.	87.00	93.00
United Amusement, A, V.T.	19.25	20.00
Do., B	19.25	20.00
Investment Trust Shares:		
Can. Gen. Invest.	8.40	8.60
Can. Investment Fund	3.55	3.90
Can. Investors	6.25	7.25
Cons. Div. Std. Sec., pfd.	11.00	....
Corporate Investors	6.00	6.50
Lon. Can. Invest., pfd.	50.00	....
Sec's. Hold., pfd. bonus	17.00	19.00
United Corpns., A	20.00	21.50
Do., B	10.00	12.25
Power Issues:		
Can. West. Nat. Gas, com.	24.00	26.00
Do., pfd.	84.50	86.50
For. Power Sec's., pfd.	4.50	6.50
Great Lakes Power, pfd.	98.00	....
Inter. Util., $1.75 pfd.	8.00	9.50
Do., $7 pfd.	91.00	96.00
New Brunswick Tel., com.	13.75	15.00

Winnipeg Stocks

Transactions from Nov. 29 to Dec. 4

	Sales	High for period	Low for period	Close Dec. 4
Beaver Lumb., p.	1	85.00	85.00	85.00
Cryderman	1,000	.01	.01	.01
Dom. Envelope, c.	50	2.50	2.50	2.50
Flin Flon	7,500	.04½	.03	.03½
Golden Gate	100	.48	.48	.48
Gurney	2,200	.29	.28	.28
Gt. Falls M.	3,000	.02	.02	.02
Marvel Oils	3,000	.04	.04	.04
Ore Grande	2,500	.03	.03	.03
Sachigo River	75	12.25	11.75	12.25
Star Lake	2,000	.01½	.01½	.01½
United Grain	60	7.00	7.00	7.00
Wings Ltd.	100	.80	.80	.80
West. Steel, com. new	48	12.00	12.00	12.00
Wendigo	600	.18	.17	.18
Wylie Dom.	3,000	.26½	.21	.21

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	..
Can. Airways	3½	...
Cres. Cream., pf.	...	30
Dom. Envelope, pref.	92	95
Federal Grain, pref.	...	33
Home Investment	...	22
Reliance Grain, pf.	...	72
Northern Can. Mtge., pf.	3	..
Northern Trust	...	8
West. Breweries	1⅜	...
West. Grain, pf.	5	...
Traders Bldg.	82½	...

*Stocks more active on other exchanges not included.

Municipal Bonds

December 7, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	111.50	113.00	4.14
Hamilton	5	1950	110.40	112.40	3.75
Montreal	5	1945	103.00	104.50	4.27
Ottawa	4½	1945	106.25	108.25	3.25
†Quebec	5	1959	104.50	106.00	4.57
Saint John	5	1950	106.00	107.50	4.24
†Toronto	4½	1955	110.00	112.00	3.57
†Vancouver	5	1950	82.00	87.00	6.54
Winnipeg	5	1944	95.00	100.00	5.00

†Payable Can. and N. Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.20	3.50
Can. Inv. Fund	3.55	3.90
All Can. Trustee	10.85	11.60
Trans Canada	11.30	12.05
Grouped Income	4.55	5.05
Can. Equity	10.00	10.87
Can. Int. Tr., modified	5.75	6.25
Do., Unmodified	4.75	5.25

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Dec. 7	28,900	127,000	713,000
Dec. 6	25,400	205,100	1,305,000
Dec. 4	18,500	63,200	599,000
Dec. 3	30,500	96,800	996,000
Dec. 2	18,000	85,200	842,000
Dec. 1	21,000	78,100	678,000

Unlisted Mines

Dec. 7, 1937
TORONTO

	Bid	Asked		Bid	Asked		Bid	Asked
Albany R.	.55	.57	Gate Pat.	.02½	.03½	Norlake	.07½	.08½
Algold	.33	.35	Gilbec	.01½	.02½	North Sh.	.01½	.02
Algoma S.	.64	.66	Goldside	.02½	.02½	Oklend	.14½	.15½
Armistice	.10	.11	Golden G.	.48	.48	Oliver Sv.	..	.10
Arno	.02½	.03	Gord. Leb.	.04½	.05	O'Leary	.04½	.05½
Athona	.06½	.10	Gull Kir.	.01½	.02	Opem. Cp.	.07	.09
Area	.04½	.05	Halliwell	.52	.55	Oriole	.08½	.09
Augite	.25	.27	Heva Cad.	.05	.07	Ossian	.01½	.02½
Bailor	.01½	.02½	Hudson P.	.02½	.03½	Pascalis	.33	.35
Barb. Lar.	.40	.42	Hislop	.03	.03½	Porc. Mc.	.02½	.03
B.E.A.R.	.21½	.23	Horseshoe	.01	.01½	Plains P.	3.15	3.25
Bilmac	.13	.15	Hutch. Lk.	.09½	.10	Porc. Tri.	.05	.07
Baldwin	.01½	.02½	Hudson B.	.15	.25	Pontiac R.	.12	.13
Cuniptau	.05½	.06½	Kaw Crow	.03	.04½	Pelangio	.04½	.06
Calder B.	.03	.04½	Kenecho	.04	.05	Propr'y	1.28	1.30
Callinan Flin Flon	.02	.03	Kenland	.02	.03	Quebec M.	.61	.63
Can. Pan.	.08½	.09½	Kenricia	.19	.22	Rajah	.03	.04
Can. Kirk.	.01½	.02	Kewaga'a	.19	.22	Raven R.	.53	.56
Candala'a	..	.27	Kirk. Gte.	.13½	.15	Ribago (new)	.10½	.11
Capital R.	.08½	.09	King Kir.	.01½	.02	Ronda	.18	.20
Chester's	.80	.90	Kir. Vit.	.06½	.06	Rouyn R.	.03½	.03½
Coin Lake	.04	.06	Kirk Hun.	.02½	.03½	Rubec	.02	.02½
Condor (old)	.03½	.04½	Lacoma	.08	.08½	Sand Rv.	.36	.38
Con. Kirk.	.31	.33	Lafayette	.02	.02½	Shenango	.12½	.14
Cent. Man.	.04	.05	L. Geneva	.27	.30	Silver Vl.	.04½	.05
Cooke Lk.	.10	.12	Lk. Rose	.07	.09	Siscoe Ex.	.17	.20
Cres. Kir.	.03½	.05	Lamaque	6.35	6.60	Smelter	.01½	.02½
Denison	.33	.35	Lardego	.05½	.06	Spooner	.05	.06
Desantis (new)	.22	.25	Magnet L.	.06	.07½	Sturg. Riv.	.28	.30
Devon	.25	.27	Magnet C.	.17	.20	Springer	.11	.13
Doreva	.04½	.06	Mani'ak	1.25	1.35	Tonawanda	.02½	.03
Delosha	.12	.14	Malartic	.25	.26	Upper Can.	.29	.30
Dunlop (new)	.05½	.06	Mart. Mc.	.07½	.08½	Wascana	.05	.06
El Bonan.	.06	.08	Martin B.	.42	.43	Williamson	.05	.06
Elec. Por.	.06	.07	Mata Cn.	.08	.09	Wesley	.13	.14
Eva Lake	.04½	.05	Moffatt (new)	.08½	.09½	Westside	.05	.05
Elmos	.09	.11	McFar. L.	.06½	.07	White H.	.08	.10
Fernland	.17	.20	McC. Web.	.20	.22	Wendigo	.17	.18
Frontier	.05½	.06	McV. Kir.	.02½	.03	Y. David'n	.25	.27
Garnet	.02	.03	Monarch	.03	.04	Winoga	.06½	[illegible]
			Moosehla	.07	.09	Ypres Cd.	.20	[illegible]
			Mosher	.16	.17½	Woco	.15	[illegible]

Dec. 8, 1937
MONTREAL

	Bid	Asked		Bid	Asked		Bid	Asked
Abbeyville	..	.16	Franklin	.01	.01½	Porc. Lake	.18	[illegible]
Amity	..	.02	Golden Gate	.46	.49	Red Gold	.10	[illegible]
Bousquet	..	.02	Grace Larder	.09	.11	Richmac	..	[illegible]
Brown Cadill'c	.09½	.10½	Halliwell (new)	.52	.55	Routhier	.10½	[illegible]
Central Dev.	..	.11	Heva Cadillac	..	.08	Schreiber	..	[illegible]
Chibmac	.05½	.06	Lacoma	.06½	.09	Scott Chib.	..	[illegible]
Clerno	..	.16	Lake Rowan	.26	.29	Seguin	.02½	[illegible]
Cournor	.30	.34	L. L. Lagoon	..	.07	Shawmaque	..	[illegible]
Dempsey Cad.	.03	.05	Leroy	.05	.06	Skookum	..	[illegible]
Descar	..	.20	Margaret	.10	.12	Stadore	..	[illegible]
Dorval Units	12.50	14.00	Obalski	.07½	.08	Wawbano	.02	[illegible]
Fontana	.19	.21	Pan. Cdn.	.18	.20	West Duv.	..	[illegible]
						Westwood Cad.	.10	[illegible]

Government Bonds

Dominion of Canada Bonds

Dec. 8, 1937

Coupon	Maturity	Bid	Asked	Approx. Yld.
2	15 Oct. '38	100.40	100.90	1.00
▪2	1 Jan. '39	100.50	101.00	1.07
1	1 June '39	99.00	99.50	1.34
2	15 Nov. '39	100.40	100.90	1.54
2½	15 Oct. '39	101.25	101.75	1.55
4	15 Oct. '39	103.90	104.40	1.61
1½	1 June '40	99.10	99.60	1.66
4½	1 Sept. '40	108.35	108.85	1.93
1	15 Mar. '41	96.95	97.45	1.79
5	15 Nov. '41	109.50	110.00	2.34
2	1 June '42	98.95	99.45	2.12
3	15 Oct. '42	103.10	103.60	2.22
2½	1 June '43	100.35	100.85	2.33
5	15 Oct. '43	111.35	111.85	2.80
▪2¼	15 Jan. '44	99.10	99.60	2.32
4½	15 Oct. '44	110.00	110.50	2.82
2½	15 Nov. '44	98.50	99.00	2.68
▪2½	15 Aug. '45	99.35	99.85	2.52
4	15 Oct. '45	106.25	106.75	▲2.74
4½	1 Feb. '46	110.35	110.85	2.99
3¼	1 June '49	100.50	101.00	▲3.11
3½	15 Oct. '49	101.75	102.25	▲3.13
3¼	15 Nov. '51	99.70	100.20	▲3.23
▪5	1 May '52	112.00	112.50	▲2.03
4	15 Oct. '52	106.10	106.60	▲3.22
3	1 June '55	96.75	97.25	3.21
4½	1 Nov. '56	109.60	110.10	▲3.20
4½	1 Nov. '57	109.60	110.10	▲3.30
4½	1 Nov. '58	110.00	110.50	▲3.35
4½	1 Nov. '59	110.35	110.85	▲3.39
▪4	1 Oct. '60	107.60	108.10	▲3.23
▪3¼	15 Jan. '61	99.65	100.15	▲3.24
3¼	1 June '66	98.85	99.35	3.28
▪3	15 Jan. '67	93.65	94.15	3.31
¶3	Perp. bonds	87.00	87.50	3.43
Dominion Guaranteed Bonds				
Canadian National Railway:				
2	1 May '38	100.00	100.50	.77
2	15 Feb. '43	97.85	98.35	2.34
3	1 May '44	101.00	102.00	2.66
3	15 Dec. '50	96.25	97.25	3.26
3	15 Feb. '53	95.75	96.75	3.27
*4½	1 Sept. '51	113.25	114.25	3.23
*4½	1 Feb. '56	113.75	114.75	3.42
†4½	1 July '57	113.25	114.25	3.50
*4¾	15 June '55	116.00	117.00	3.45
5	1 Feb. '54	116.75	117.75	3.57
*5	1 July '69	116.00	117.00	▲2.85
*5	1 Oct. '69	118.25	119.25	▲3.37
*5	1 Feb. '70	118.25	119.25	▲3.42
Provincial Government Bonds				
New Brunswick:				
3½	15 June '56	93.00	95.00	3.87
†4½	15 Apr. '61	103.00	104.00	4.23
†5	15 Jan. '60	107.50	109.50	4.33
Nova Scotia:				
3	2 Jan. '52	93.50	95.00	3.44
3½	16 Aug. '46	99.75	100.75	3.40
†4½	15 Sept. '52	107.50	108.50	▲3.47
†5	1 Mar. '60	114.50	116.50	3.88
Ontario:				
3	1 Dec. '51	95.75	96.75	3.29
*4	1 June '62	105.75	106.75	3.58
4½	1 June '50	110.00	111.00	3.41
*4½	15 Jan. '62	113.00	115.00	3.57
5	15 Oct. '48	114.25	115.25	3.33
*5	2 Dec. '60	118.00	120.00	3.70
5½	1 July '46	115.75	116.75	3.25
Ont. Hydro. Comm.:				
3½	1 Apr. '47	101.25	102.25	3.22
4¾	1 Jan. '70	116.00	118.00	3.78
Prince Edward Island:				
3	1 Oct. '45	97.00	98.50	3.22
Quebec:				
3	1 Nov. '51	95.50	96.50	3.32
3¼	1 July '49	98.50	99.50	3.30
4	15 Mar. '52	104.50	106.50	3.47
4¼	1 Aug. '58	108.00	109.00	3.63
4½	2 Jan. '63	108.50	111.00	3.82
Alberta:				
4	15 Dec. '54	53.00	54.00	§
4½	1 Oct. '51	61.00	63.00	§
†4½	1 Oct. '56	53.00	54.50	§
*5	1 Oct. '59	56.00	58.00	§
†5½	1 Apr. '52	57.50	59.00	§
6	1 Mar. '47	62.00	64.50	§
British Columbia:				
†4	1 Dec. '57	88.00	90.00	4.78
*4½	15 Jan. '51	96.00	97.50	4.75
†4½	1 Oct. '53	94.50	95.50	4.91
†5	25 Apr. '54	99.75	100.25	4.98
5½	1 Feb. '45	101.25	102.25	5.11
6	15 Feb. '47	103.00	104.50	5.37
Manitoba:				
†4	1 Dec. '57	81.00	84.00	5.31
†4½	15 Dec. '56	83.00	86.00	5.72
*5	2 Dec. '59	90.00	93.00	5.55
5½	1 Oct. '55	92.00	95.00	5.95
6	1 Apr. '47	95.00	98.00	6.28
Saskatchewan:				
4	15 Aug. '53	64.00	67.00	7.60
4	1 Nov. '60	63.50	66.00	7.00
†4½	1 Oct. '51	73.50	76.00	7.25
†4½	15 Mar. '60	67.00	69.00	7.33
5	1 Aug. '58	70.00	73.00	7.59
5½	1 Oct. '52	76.00	79.00	7.91
6	15 Mar. '52	80.00	83.00	8.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y ¶Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. ‡Payable £.

Dividends Declared

	This payment	Date payable	Date of record
Acme Glove	12½c	Jan. 3	Dec. 18
Do., pref.	$1.62½	Jan. 3	Dec. 18
Anglo-Huronian	10c	Jan. 3	Dec. 15
Agnew-Surpass, pf.	$1.75	Jan. 3	Dec. 15
Bathurst Paper, A	25c	Dec 20	Dec. 4
Beatty Bros., pf.	$3.50	Jan. 3	Dec. 15
Bell Telephone	$2	Jan. 15	Dec. 23
Brazilian Tr., pf.	$1.50	Jan. 3	Dec. 15
B. C. Power, A	50c	Jan. 15	Dec. 31
Burlington Steel	15c	Jan. 3	Dec. 15
Bk. of Canada	$1.13	Jan. 3	Nov. 30
Bk. of N. Scotia	$3	Jan. 3	Dec. 16
Biltmore Hats, pf.	$1.75	Dec. 15	Nov. 15
Belding Cort.	$1	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Brazilian Tr., c.	50c	Jan. 25	Dec. 22
Bright, T. G.	7½c	Dec. 15	Nov. 30
Do., pref.	$1.50	Dec. 15	Nov. 30
Bralorne Mines	10c	Jan. 15	Dec. 31
Do., extra	10c	Jan. 15	Dec. 31
Can. L. & Pr.	50c	Jan. 15	Dec. 24
Cent. Can. Loan	$2	Jan. 3	Dec. 18
Cent. Pat. G. M.	4c	Jan. 3	Dec. 15
Comm. Alcohols, pf.	10c	Jan. 15	Jan. 1
Can. Breweries, pf.	50c	Jan. 15	Dec. 31
Calgary & Ed.	5c	Dec. 15	Dec. 1
Cosmos Imp., pref.	$1.25	Jan. 15	Dec. 31
Candn. Car. pfd.	44c	Jan. 10	Dec. 27
Can. Cottons	$1	Jan. 3	Dec. 17
Do., pref.	$2	Jan. 3	Dec. 17
Candn. Oil, pref.	$2	Jan. 1	Dec. 20
Can. Gen. Elec.	$1.50	Jan. 1	Dec. 15
Can. W. N. Gas, c.	$1	Dec. 15	Dec. 14
Cons. Div. Std. Secs., pf	37½c	Dec. 15	Dec. 1
Coniaurum Mines	5c	Dec. 30	Dec. 10
Canada Cement, pf.	$1.25	Dec. 20	Nov. 30
Can. Perm. Mtge.	$2	Jan. 3	Dec. 15
Canada Bud	40c	Dec. 15	Dec. 4
Can. Malting	37½c	Dec. 15	Nov. 30
Do., extra	50c	Dec. 15	Nov. 30
Can. Nor. Power	30c	Jan. 25	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Canners, 1st pf.	25c	Jan. 2	Dec. 15
Do., 2nd pfd.	15c	Jan. 2	Dec. 15
Can. For. Invest.	40c	Jan. 1	Dec. 15
Can. Westinghouse	50c	Jan. 1	Dec. 20
Can. South. Pr., pf.	$1.50	Jan. 15	Dec. 20
Can. Wire. Box, A	37½c	Jan. 2	Dec. 15
Cariboo Gold	2½c	Jan. 3	Dec. 8
Do., extra	1½c	Jan. 3	Dec. 8
Chartered Trust	$1	Jan. 3	Dec. 15
Cons. Sand, pf.	$7	Dec. 15	Dec. 4
Cons. Smelters	50c	Dec. 31	Dec. 8
Do., extra	$1.50	Dec. 31	Dec. 8
Can. W. N. Gas, pf.	$1.50	Dec. 1	Nov. 15
Crow's Nest Coal	$1.50	Dec. 28	Dec. 11
David & Frere, A	25c	Dec. 15	Nov. 30
Dominion Bank	$2.50	Jan. 3	Dec. 20
Dom. Textile	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 15	Dec. 31
Distillers Seag., c.	50c	Dec. 21	Dec. 6
Dominion Coal, pf.	38c	Jan. 3	Dec. 15
Dom. Glass	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Electrolux	40c	Dec. 15	Nov. 15
Do., extra	30c	Dec. 15	Nov. 15
East. Twp. Tel.	▲	Apr. 15'38	Dec. 31
Eng. Electric, A	62½c	Dec. 15	Nov. 30
Falconbridge N.	7½c	Dec. 30	Dec. 8
Ford Motor, A, B	25c	Dec. 18	Nov. 27
Famous Players	60c	Dec. 15	Dec. 6
Foundation Co.	50c	Dec. 15	Dec. 6
Greening Wire	15c	Jan. 3	Dec. 15
Gurd, C., com.	†30c	Dec. 15	Dec. 1
Gunnar Gold	3c	Dec. 15	Dec. 1
Ham. Cotton, pf.	‡50c	Jan. 1	Dec. 15
Highland Bell, c.	1c	Dec. 15	....
Ham. Un. Theat., pf.	$1.50	Dec. 31	Nov. 30
Hinde & Dauch	25c	Dec. 21	Dec. 10
Imp. Tobacco, ord.	†10c	Dec. 31	Dec. 10
Int. Coal & Coke	2c	Dec. 15	Dec. 13
Inter. Mining	45c	Dec. 24	Dec. 17
Inter. Nickel, pf.	$1.75	Feb. 1	Jan. 3
Inter. Nickel, c.	50c	Dec. 31	Dec. 1
Do., extra	25c	Dec. 31	Dec. 1
Inter. Paints, pf.	$1	Dec. 21	Dec. 9
Int. Power, pf.	$1.50	Jan. 3	Dec. 15
Jam. Pub. Serv.	43¾c	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Lang, John A., c.	17½c	Jan. 2	Dec. 15
Lake Shore Mines	$1	Dec. 15	Dec. 1
Do., extra	$1	Dec. 15	Dec. 1
Lava Cap M.	5c	Dec. 23	Dec. 6
Little Long Lac	10c	Dec. 20	Dec. 6
Louisiana Land	10c	Dec. 15	Dec. 1
Do., extra	10c	Dec. 15	Dec. 1
Land. Bk. & Loan	$1.25	Jan. 3	Dec. 15
Mtl. Refrig., pfd.	$1.25	Dec. 31	Dec. 15
MacKin'n Steel, pf.	$1.75	Dec. 15	Nov. 30
Marcus Loew's, pf.	‡$1.75	Dec. 15	Dec. 4
Melchers Dist., pf.	30c	Dec. 31	Dec. 15
Monarch Knit, pf.	$1.75	Jan. 3	Dec. 10
Montreal Cottons	50c	Dec. 15	Nov. 30
Do., pref.	$1.75	Dec. 15	Nov. 30
McColl-Front., pf.	$1.50	Jan. 15	Dec. 31
Montreal Loan	50c	Dec. 15	Nov. 30
McK. Red Lake	5c	Dec. 15	Nov. 30
McGill Creek C.	2c	Dec. 15	Dec. 13
Nat. Grocers, pf.	$1.75	Jan. 1	Dec. 15
National Trust	$2	Jan. 3	Dec. 21
Nat. Biscuit	40c	Dec. 15	Nov. 12
Nat. Breweries	50c	Jan. 3	Dec. 15
Do., pref.	43c	Jan. 3	Dec. 15
Noranda Mines	†$1.50	Dec. 23	Dec. 9
N. S. Light & Pr., c.	$1.25	Jan. 3	Dec. 15
Ont. Silknit, pf.	$1.75	Dec. 15	Dec. 5

DIVIDEND NOTICES

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 3rd January, 1938, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE, Manager.

2nd December, 1937.

THE ONTARIO LOAN AND DEBENTURE COMPANY

202nd DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of $1.25 per share for the current quarter ending 31st December, 1937, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 3rd January, 1938, to Shareholders of record of the 15th December, 1937.

By Order of the Board.

T. H. MAIN, Manager.

London, Ontario, 30th November, 1937.

ACME GLOVE WORKS LIMITED

DIVIDEND NOTICE

A quarterly dividend of One and Five Eighths Per Cent (1⅝%) has been declared upon the Six and One Half Per Cent (6½%) Cumulative Preferred Shares of Capital Stock of this Company, to be paid January 3rd, 1938, to shareholders of record at the close of business on December 18th, 1937.

A dividend of 12½c. (Twelve and One Half Cents) per share has been declared on the No Par Value Common Stock of this Company, to be paid January 3rd, 1938, to shareholders of record at the close of business on December 18th, 1937.

By Order of the Board,

A. LEPINE, Secretary.

Montreal, December 3rd, 1937.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 38

NOTICE is hereby given that a dividend of Fifty cents (50c) per share on "Class A" Shares has been declared for the three months ending December 31, 1937, payable by cheque dated January 15th, 1938, to shareholders as of record at the close of business on December 31, 1937. Such cheques will be mailed on January 14, 1938, by the Montreal Trust Company from Montreal.

By order of the Board:

ERNEST ROGERS, Secretary.

Vancouver, B.C. December 4, 1937.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 34

NOTICE is hereby given that a Dividend of 30c. per share being at the rate of $1.20 per annum, has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending December 31st, 1937, payable January 25th, 1938, to shareholders of record at the close of business on December 31st, 1937.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, November 23rd, 1937.

POWER CORPORATION OF CANADA LIMITED

Second Preferred Dividend No. 41

NOTICE is hereby given that a dividend of one and one-half per cent (75 cents per share) being at the rate of 6% per annum has been declared on the 6% Non-Cumulative Participating Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending December 31st, 1937, payable January 15th, 1938, to shareholders of record at the close of business on December 31st, 1937.

By order of the Board,

L. C. HASKELL, Secretary.

Montreal, November 26th, 1937.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Stock Dividend No. 40

NOTICE IS HEREBY GIVEN that a dividend of $1.50 per share has been declared on the 6 per cent cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending December 31st, 1937, payable January 15th, 1938, to shareholders of record at the close of business on December 31st, 1937.

By Order of the Board,

FRED HUNT, Secretary.

November 29th, 1937.

DIVIDENDS DECLARED (Continued)

	This payment	Date payable	Date of record
Ogilvie Flour, c.	$2	Jan. 3	Dec. 15
Do., extra	$2	Jan. 3	Dec. 15
Ottawa Car	$2	Jan. 3	Dec. 15
Ont. Loan & Deb.	$1.25	Jan. 3	Dec. 15
Pickle Crow	10c	Dec. 31	Dec. 15
Power Corp.	†30c	Dec. 21	Dec. 4
Do., pref.	$1.50	Jan. 15	Dec. 31
Do., 2nd pref.	75c	Jan. 15	Dec. 31
Pioneer Gold	10c	Jan. 3	Dec. 1
Pressed Metals	50c	Dec. 30	Dec. 22
Porto Rico Pr., pf.	$1.75	Jan. 3	Dec. 15
Premier Gold	3c	Jan. 15	Dec. 17
Reliance Grain, pf.	$1.62½	Dec. 15	Nov. 30
Reno Gold	3c	Jan. 3	Dec. 10
Riverside Silk, A	50c	Jan. 3	Dec. 15
Real Est. Loan	$1	Jan. 3	Dec. 17
Remington Rand	25c	Jan. 3	Dec. 13
Sher.-Williams, pf.	‡$1.75	Jan. 3	Dec. 15
Securities Hold., pf.	65c	Jan. 3	Dec. 22
Supersilk H., 1st pf.	$2.50	Jan. 1	Dec. 17
Smith, H., Pap., pf.	$1.50	Jan. 15	Dec. 31
South. Can. Pr., pf.	$1.50	Jan. 15	Dec. 20
Siscoe Gold	5c	Dec. 15	Nov. 30
Do., extra	1c	Dec. 15	Nov. 30
Stand. Steel, A, pf.	75c	Jan. 1	Dec. 15
Do., arrears	75c	Jan. 1	Dec. 15
Sudbury Basin	10c	Jan. 3	Dec. 14
Sylvanite Gold	5c	Dec. 31	Nov. 25
Toronto Mortgage	$1.50	Jan. 3	Dec. 15
Tor. Gen. Trusts	$1	Jan. 2	Dec. 18
Teck-Hughes	10c	Jan. 3	Dec. 10
Union Gas	20c	Dec. 15	Nov. 20
United Bond & Sh.	15c	Jan. 15	Dec. 31
United Fuel, pf.	$1	Dec. 15	Nov. 30
United Secs.	50c	Jan. 15	Dec. 24
Ventures	25c	Jan. 4	Dec. 17
Vulcan Oils	5c	Dec. 20	Nov. 30
West Koot. Pr., pf.	$1.75	Dec. 31	Dec. 15
Weston, c.	20c	Jan. 3	Dec. 15
Walker-G. & W.	$1	Dec. 15	Nov. 26
Do., pref.	25c	Dec. 15	Nov. 26
Westminster Pap.	25c	May 1/38	May 1
Wr.-Hargreaves	10c	Jan. 3	Nov. 24
Do., extra	5c	Jan. 3	Nov. 24
Do., interim	10c	Jan. 15	Dec. 1
West. Grocers	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20

*Initial.
‡On arrears.
†Interim.
▲18 cents declared quarterly; 36 cents payable Apr. and Oct. 15.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1937, making a total distribution of ten per cent for the current year — the Dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the third day of January, 1938, to shareholders of record of the 20th December, 1937.

By Order of the Board.

ROBERT RAE, General Manager.

Toronto, 17th November, 1937.

BRALORNE MINES LIMITED

(Non-Personal Liability)

NOTICE is hereby given that a Quarterly Dividend of 10 cents per share and an Extra Dividend of 10 cents per share have been declared on the paid-up capital stock of the company, payable on the 15th day of January, 1938, to shareholders of record as of December 31st, 1937.

By order of the Board,

RONALD GRACE, Secretary-Treasurer.

Vancouver, B.C., November 30th, 1937.

Western Grocers LIMITED

Notice of Dividends

Notice is hereby given that the following dividends have been declared:

On the Preference Shares, 1¾% for the current quarter, payable January 15th, 1938, to shareholders of record December 20th, 1937.

On the Common Shares, 75c per share, payable January 15th, 1938, to shareholders of record December 20th, 1937.

By order of the Board.

W. P. Riley, President.

Winnipeg, Man. December 4th, 1937.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

MONDAY, THE THIRD DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fifteenth day of December, 1937.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, November 17th, 1937.

Dominion Glass Company Limited

Notice of Dividends

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December, 1937.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December, 1937.

The above Dividends are payable on Monday, the 3rd day of January, 1938, to Shareholders of record at the close of business Wednesday, the 15th day of December, 1937.

By Order of the Board.

MERVYN OFFER, Secretary.

Montreal, 23rd November, 1937.

The Consolidated Mining and Smelting Company of Canada, Limited

Dividend No. 65

NOTICE IS HEREBY GIVEN that a Dividend of 50c. per share on the paid up Capital Stock of the Company for the six months ending December 31st, 1937, with a bonus of $1.50 per share, has this day been declared, payable on the 31st day of December, 1937, to Shareholders of record at the close of business on the 8th day of December, 1937.

By Order of the Board,

J. E. RILEY, Secretary.

Montreal, P.Q. December 2nd, 1937.

George Weston Limited

Common Dividend No. 32

NOTICE IS HEREBY GIVEN that a dividend of Twenty Cents (20c.) per share has been declared on the common stock of this Company, payable on the 3rd day of January, 1938, to shareholders of record at the close of business on the 15th day of December, 1937.

W. H. KEMP, Assistant-Secretary.

Toronto, 1st December, 1937.

NORANDA MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of $1.50 per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable December 23rd, 1937, to shareholders of record at the close of business December 9th, 1937.

By order of the board.

T. N. Hay, Secretary-Treasurer.

Toronto, December 1st, 1937.

Exchange Loss Figures Disputed By Economists

Admit Monetary Policy May Have Favored East But Doubt the Millions Estimated by Manitoba Before Rowell Commission

Canada's monetary policy 1931 to 1936 favored eastern Canada at the expense of the west which lost $47 millions annually because Canadian currency was not allowed to depreciate as was the case in both Australia and Argentina, her main wheat producing competitors.

Such is the argument of A. R. Upgren, department of economics, University of Minnesota, in his brief submitted to the Rowell Commission by the Province of Manitoba.

Manitoba grain growers alone lost $6 millions annually for this reason, the brief states, a sum exceeding the total amount of taxes collected by all the municipalities.

While exchange experts see many things to criticize in the argument of the brief, professional economists are inclined to believe that the western wheat grower would have enjoyed better returns had the Canadian dollar been allowed to depreciate.

Doubt the Figures

They argue, however, that it is unwise to give any definite statement of losses in millions of dollars because of the inability to predict the effect on wheat prices of the lower Canadian dollar value. While the author of the brief calculates his losses for the prairies on the assumption that wheat prices in terms of sterling stood still, economists who have reviewed his argument doubt if the loss would be anywhere near the figures stated.

Canada in this period, the brief argues, permitted her rate of exchange to fall in terms of pounds sterling. Australia, on the other hand, permitted the rate of exchange on England to rise. While Australia's monetary action resulted, the brief maintains, in an increase of 25% in returns in Australian money to Australian exporters on foreign sales, the Canadian policy resulted in a decrease of almost 20% in return in Canadian money to Canadian exporters in 1932. Argentina, the other big wheat producer, followed the Australian course by permitting an exchange increase of almost 20%.

Considerations Underestimated

Two fundamental considerations of monetary fact are overlooked, or underestimated, it is urged.

While the brief purports to cover the period 1931 to 1936, economists find that the argument applies with fullest weight only for the 18-month period between the time when Great Britain went off gold and the United States devalued its dollar. During that time the "steady" Canadian dollar was generally some 10% above sterling and 25% to 30% below the U.S. dollar.

Assumption of a fixed sterling price for wheat on which the author bases his more dramatic assertions is considered untenable. Just as with interlisted bonds and commodities for which there is a regular, free and open market, when U. S. dollars are at a premium, U. S. buyers demand and usually get a lower price. There are enough arbitrage dealers to maintain, on the whole, a fairly constant adjustment between market valuation and exchange rates.

Accordingly, with a depreciated Canadian dollar, the Liverpool wheat price would inevitably react and discount a very considerable amount of the gain Prairie Canadians would otherwise receive from a lower dollar.

Briefly, the monetary policy to which the brief objects was the R. B. Bennett scheme to create a favorable balance of trade by tariff policies and to keep the Canadian dollar at its general level.

With these reservations, economists interviewed agree with the general argument that Canada's monetary policy has favored the East at the expense of the West.

McD. and C. Holdings Makes Capital Payment

From Our Own Correspondent

MONTREAL.—McD. and C. Holdings Ltd. announces that a further capital payment of 2½% on account of its outstanding certificates of indebtedness will be paid Dec. 31 to certificate holders of record Dec. 6.

Payment of this 2½% will bring the total payment in respect to these certificates to 52½% of their original face value. The following payments already have been made: 10% Dec. 29, 1933; 5% Dec. 31, 1934; 5% Dec. 31, 1935; 5% Dec. 15, 1936; 25% Feb. 27, 1937.

Capital Securities Corp. Assets Sold by Trustee

MONTREAL.—J. Powell Vermette, trustee of the bankrupt Capital Securities Corp., Montreal, has issued a report to the creditors stating assets have been sold for $2,000, partly at terms extending to February, 1938.

A general statement of affairs shows liabilities of $9,129, of which unsecured claims amount to $6,827. The assets, amounting to $2,616, are largely represented by office furniture and fixtures.

More Moisture For Grain Belt

Fall precipitation in the three prairie provinces continues to average above normal, reports Sanford Evans, although the gain in November was not on the same generous scale as in the preceding month. Distribution, it is stated, was very uneven, Manitoba stations recording less than normal amounts and Alberta well above. In Saskatchewan no definite pattern could be traced.

Total fall rains this year have been fairly heavy, averaging 14% above normal, although there is still a large area in southern Saskatchewan where moisture remains below normal. Compared with a year ago, however, the situation is much improved.

Peel Street Realties Bonds to be Exchanged

From Our Own Correspondent

MONTREAL. — A compromise plan affecting the rights of the holders of Peel Street Realties 6½% first mortgage bonds, sanctioned by the bondholders, has been made effective by supplementary trust deeds.

With the plan now in effect, bondholders are required to surrender their bonds with the Sept. 1, 1936, and all subsequent coupons attached for cancellation at the office of the trustees. In return the bondholders will be given new first mortgage 20-year income bonds due 1957 for the same aggregate principal amount of capital stock of the company at the rate of three shares for each $1,000 bond surrendered.

Week in Wheat

Wheat Market Digesting Rush of Fall Shipments

Little Price Fluctuation Now Expected Until Present Orders Cleared — Australia Exports Gaining in Volume

From Our Own Correspondent

WINNIPEG.—Wheat market at Winnipeg has developed a quieter tendency, due presumably to completion of business for shipment down the lakes prior to close of navigation. Much of the grain put forward over the lakes has been definitely booked for shipment during the next few months and only a part of it presumably remains hedged in the Winnipeg market. In consequence much of the business during immediately succeeding weeks will relate to the exporting of such grain, and it may be some weeks before the demand here again becomes urgent.

Once such shipments are cleared, however, the extremely low state of supplies left in Canada will become increasingly noticeable and sharp market movements will again be possible.

Marketing of new crop Australian wheat is becoming important and with some easing of ocean freight rates that country is expected to put large quantities afloat within the next few weeks. Heavy rains in northern Argentina threaten to delay harvesting there and to cause some further deterioration in the quality of the crop.

High Premiums to Continue?

Canadian export flour millers have been feeling the pinch of high premiums on top grades of Canadian hard wheat. Grain dealers and grain growers state that these premiums are fully justified. Moreover, they maintain that these premiums will continue throughout the balance of the season and may possibly widen still more. The standard of Canadian flour is based upon the milling of No. 1 hard, No. 1 Northern and No. 2 Northern wheat, and foreign customers, particularly in Great Britain, base their requirements upon the use of a percentage of this high-grade wheat for strength. The cheaper wheats they buy from competing countries are known as "fillers."

See Big U. S. Carryover

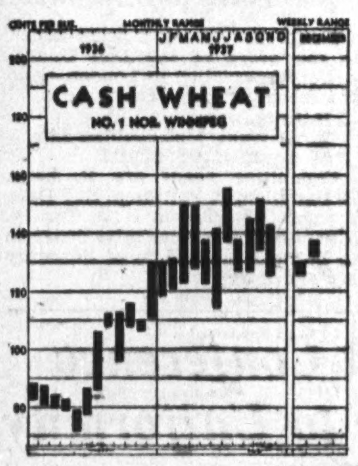
Even with improvements in exports of United States wheat recently and long-hoped-for German orders last week, a carryover in excess of 300,000,000 bushels appears probable next July, Gilbert Gusler estimates in a review of the wheat situation for the Millers National Federation. Mr. Gusler states that both domestic consumption and exports have fallen considerably below expectations, with current stocks running about 235 millions above a year ago and more than that above the average domestic utilization figures between now and June. Of course, if frost damage in the Argentine proves to be more serious than believed, then some improvement in exports is to be expected, but Mr. Gusler appears very dubious of United States being able to escape an above-normal carryover.

* * *

Argentine Doubt

It will probably be another week, and perhaps longer, before there can be a definite appraisal of Argentine wheat production. Until then, sharp variations in prices may be expected. Perhaps the most pessimistic idea yet expressed is a crop no greater than 180 million bushels, of which a substantial portion will be damaged by frost. The most optimistic would perhaps put the total 25 million bushels higher.

Wheat Prices



(Cash Quotations)

	For Week Dec. 7 High	Low	Prev. Week High	Low
1 Man. Hard	1.37¼	1.32¼	1.30⅞	1.26¼
1 Northern	1.37¼	1.32¼	1.30⅞	1.26¼
2 Northern	1.31½	1.25¼	1.23⅞	1.19¼
3 Northern	1.14⅛	1.10¼	1.08⅜	1.04¼
4 Northern	1.02⅛	.98⅛	.97⅞	.92¼
5 Wheat	.94½	.89¼	.88⅜	.83¼
6 Wheat	.85½	.80¼	.77⅞	.74¼
Feed Wheat	.76½	.71¼	.68⅞	.65¼

Competitive Export Prices:

Dec. shipments:	Week to Dec. 7 High	Low
No. 1 North. (Atlan.)	1.67⅛	1.56¾
No. 3 North. (Atlan.)	1.41⅝	1.34⅞
Australian†	1.19⅛	1.18
Australian, Jan.	1.17¾	[illegible]
Indian (new crop)	1.17¾	1.15⅜
U. S. Hard Winters	1.18½	1.15⅝
Argentine (Rosafe)‡	1.26⅝	1.23¼
Russian	1.11	1.10
U. S. White Pac.	1.12¼	1.11½

‡Jan.-Feb. speculative offers.
†New crop, prompt shipment.

Winnipeg Grain Futures

Week to Dec. 7, 1937

Crop year from Aug. 1, 1937 High	Low		Open Dec. 1	High for week	Low for week	Close Dec. 7	Close year ago
		Wheat					
1.29½	1.04¼	Dec.	1.11	120	1.10⅝	1.18¼	1.12½
1.30¾	1.02¼	May	1.10¾	1.16½	1.10⅝	1.14¾	1.13⅜
1.12¼	.97⅝	July	1.07	1.12¼	1.06¾	1.10½	1.11⅜
		Oats					
.51⅝	.40¼	Dec.	.44⅝	.47¼	.44⅜	.46½	.47
.51	.41⅛	May	.43⅞	.46⅝	.43¾	.45⅝	.47¼
.44⅝	.40⅝	July	.42¾	.44⅝	.42½	.43	.46⅛
		Barley					
.63⅛	.52½	Dec.	.55⅝	.59¼	.55⅝	.58¼	.63¾
.64½	.53¼	May	.56⅛	.59	.56	.58⅛	.63⅞
.56⅝	.54⅞	July	.....	56⅝	.55¼	.56⅝	.62
		Flax					
1.80¼	1.66¼	Dec.	1.68	1.72	1.67½	1.71¼	1.63
1.82	1.69	May	1.72	1.75½	1.70½	1.73¼	1.65⅝
		Rye					
.95	.67⅞	Dec.	.71½	.77	.71⅛	.75	.85⅝
.95⅝	.69¼	May	.73¼	.78⅝	.73¼	.76½	.84
.78¼	.71¾	July	.75	.79¼	.74⅝	.75⅝	.83½

DIVIDEND NOTICES

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the Ninety-ninth Quarterly Dividend of One and Three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum for the Quarter ending February 29, 1936, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of December, 1937, and that cheques will be mailed January 3, 1938.

Books not closed.

By Order of the Board,

P. W. HOLLINGWORTH, Secretary-Treasurer.

Montreal, Que. November 23, 1937.

Barker's Bread Ltd. Sales Increase in 1937

Increased business during the present year is reported by Barker's Bread Ltd., with sales well above last year's level. Costs have also been somewhat higher, however, and no forecast of earnings can be made at this time. In the fiscal year ended March 1, 1937, the company earned $5.13 per share on the preferred and an amount equal to $1.02 on the common, after allowing for preferred dividends at the new 5% rate.

The policy of paying common dividends monthly, inaugurated last June, is now being changed, and henceforth payments will be made semi-annually.

Lethbridge Vote Blow to Aberhart

Measure of Lost Strength Endangers 35 Other Seats

From Our Own Correspondent

EDMONTON.—Opposition forces hail the victory of Unity Candidate Dr. Peter Campbell in Lethbridge as a sign of the turn of the tide against Premier Aberhart's Social Credit forces.

Social Credit not only lost ground, but did so in an election that brought a greater number of electors to the polls than the number voting in 1935.

The Lethbridge contest was the first real test of Social Credit since 1935. It was also a demonstration of the reality of non-partisan efforts among opposition groups.

Observers noted that "unity" campaign efforts produced surprising harmony in Lethbridge, despite reports of disagreement among opposition leaders recently on the question of fusion.

Social Credit won Lethbridge in 1935 with 55% of the vote, and in the by-election commanded only 44%. This measure of lost strength by the government, it was estimated, would endanger perhaps 35 of the seats now held by Social Credit in event of an early election.

Fixed Assessment

From Our Own Correspondent

MONTREAL. — Ratepayers of Three Rivers have approved a municipal by-law, granting City Gas & Electric Corp. a fixed assessment of $20,000 for a period of five years on all of its properties within the city limits.

Commodities

Commodity prices remain generally unsettled with further weakness in recent weeks, reports the current bulletin of the National Association of Purchasing Agents. The downward trend, however, has been much less severe recently and less than the drop in United States business turnover as a whole. Numerous manufactured items have not yet reflected the decline in raw materials with the exception of cotton goods. The Association fears that further declines of commodity prices will be difficult to prevent, although that view is not universal.

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$8.00	$7.50	$6.50
Hogs	8.50	8.75	8.35
Copper, lb.	.11	.11	.10⅛
Cotton, lb.	.0801	.0822	.1256
Rubber, lb.	.1550	.1456	.1961
Sugar, raw, lb.	.0335	.0333	.0361
Silk, lb.	1.59	1.56½	1.97
Wheat, Man. (bus.)	1.36½	1.33⅞	1.14⅜
Coffee, lb.	.06⅛	.06¼	.08⅝
Hides	.10	.09½	.13½
Weekly Indices			
Canada (D.B.S.)	82.6	83.6	77.3
U. S. Labor	82.9	83.3	82.4
N. Y. Annalist	86.8	86.7	87.6
Fishers'	84.6	85.1	86.7
N. Y. Journal of Comm.	80.4	80.5	84.0
Crumps (Brit.)	77.1	77.0	75.4

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Oct.)	84.2	83.7	81.3
W'sale (Oct.)	85.7	85.0	77.1
U. S. (Sept.)	87.4	87.5	81.6
Gt. Brit. (Aug.)	111.4	111.5	95.2

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North, Ft.-W.-Pt. A. Basis: Hides—No. 1 packer light.

GRAIN MERCHANTS In World Trade
Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 200 Elevators in Western Canada
EST. 1857
SHIPPERS & EXPORTERS
JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA MONTREAL MOOSE JAW VANCOUVER SASKATOON TORONTO CALGARY KINGSTON EDMONTON

A Complete Investment and Trading Service
STOCKS . . . BONDS
GRAIN . . . . MINES
MELADY, SELLERS & CO. LTD.
Grain Exchange WINNIPEG Phone 92709

NORRIS GRAIN COMPANY
LIMITED
PRIVATE WIRE SYSTEM
GRAIN—STOCK—BONDS
Principal Offices:
WINNIPEG, TORONTO, MONTREAL, VANCOUVER, VICTORIA

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

"THE business man of to-day is surrounded by keen competition, and to obtain a fair share in the markets available he must know conditions."
SANFORD EVANS WHEAT YIELD MAP OF WESTERN CANADA brings directly to your desk thirty-five hundred individual stations in the Prairies, showing the average yield per acre of wheat in the districts surrounding these points.
Using this map you may direct your sales efforts with assurance.
ORDER NOW TO MAKE SURE YOU WILL RECEIVE YOUR COPY EARLY. Single copies $3.00 each. Special quotations on larger orders.
SANFORD EVANS STATISTICAL SERVICE
171 McDermot Ave.
WINNIPEG, CANADA

Insurance

Life Companies Study Mortality Table Issue

Many Companies See Advantages of Revision as Mainly Theoretical and Resulting in Complication—Committee Now Studying Plan

Need for new mortality tables on which life insurance companies calculate the amount of premiums required on policies has frequently been hinted in high insurance quarters recently. Further indication of this demand was given at the 31st annual convention of the Association of Life Insurance Presidents including both U.S. and Canadian officials which met in New York last week.

"Mortality experience, both ordinary and industrial for the first 10 months of 1937 shows a saving of 3.8% over the experience of 1936," declared Dr. Charles L. Christiernin, medical director, Metropolitan Life Insurance Co.

In other words, the mortality tables now in use and compiled on the death rate of generations ago were 3.8% further from the actual experience than they were last year, therefore adding by that much to life company earnings.

Policyholder Gets Benefit

The company answer to the charge that they should base their rates on real death experience is, of course, that what they save on the 'inflated' mortality tables they pay out to policyholders in the form of dividends and other savings.

Mortality tables are simply the odds between life and death at any given age. The tables most currently in use are based on life and death rates of one or two generations ago.

In 1911 the National Convention of Insurance Commissioners urged that the life companies should draw up a new table and base their premiums on the real life and death odds. This was done by both Canada and the United States covering the experience of the years 1900 to 1915. In 1918 the two tables "Canadian Men" and "American Men" were published.

Use of these tables indicated the need for lower premiums but reserves increased by some 5% which was one reason why the new tables did not come into general use. The older ones still dominate the life insurance field in Canada.

For the policyholder with a participating policy or in a mutual company, the question is of much less importance. For him the real cost of his insurance is determined not merely by the premiums but also by dividends which slide up and down with company earnings. Big stock companies frequently base some premium costs on a table built on their own experience.

Little Change with Years

Despite the great increase in medical knowledge and public health since the turn of the century both of which have rather improved the general odds on life, medical science has yet been able to do relatively little to slow down the wearing out process of man in his later years.

This was brought out clearly in the new American and Canadian men mortality tables. Although they showed that the old table gave far too many deaths among the younger and middle aged group of policyholders, they also showed that the old tables were just about right in the field of older policyholders. In other words, the main thing wrong with the old table was shown to be that its rate of increase of death from middle to advanced years was not sufficiently rapid.

Therefore, the new mortality tables sometimes called for increased reserves, and insurance men see practical objections to higher reserves. Higher reserves give the policyholder higher cash values and thus make him more liable to let his policy lapse or surrender it.

It is also argued by some that lower premiums would mean less money available for expenses such as advertising and commissions. Agents are now complaining bitterly that the commission is too low.

"On the whole," concludes one orthodox insurance expert, "the advantages of working with an up-to-date table is large theoretical and is largely offset by various practical difficulties and disadvantages."

Silence Criticism

Speaking at the same convention, George A. Bowles, president of the National Association of Insurance Commissioners and superintendent for Virginia, reiterated the sentiment he expressed a few months ago before insurance men in Toronto when he rather gingerly suggested that it might be wise for the companies not to delay much longer the formation of new mortality tables, not only to silence present criticism, but also to preserve life companies from attacks, legislative and otherwise in the future.

A committee of actuaries under direction of the Association of Life Insurance Presidents is now at work studying the situation for preparation of new tables.

Although true mortality tables might not greatly reduce premiums, and might reduce dividends and other "profit sharing," it is felt in many quarters that the magnificent business record of the life companies would be protected with realistic tables.

Complications Seen

Canadian actuaries interviewed on the point felt that while new tables might on certain types of policy result in a saving for the policyholder, the net result would hardly merit the move.

No law in Canada or any of the provinces rules on what mortality tables a company shall calculate its premiums. In only a few states of the American union, a certain table is specified.

Even if it were decided to adopt a new table by choice or by law it could not be used for life insurance already in force, since the terms of the original insurance contract would be contravened thereby. The new table could only be used on new business which would merely add complications.

Since, in Canada, there seems nothing to indicate forcing use of any one table on the life companies, the actuary informants felt that a new table would serve poorly both for bettering the life business and for defending it against probable attacks.

NEW CHICAGO HEAD

Berrien Tarrant has been appointed Chicago manager of the Canada Life Assurance Co. He was formerly supervisor and assistant manager of the Connecticut General Life Insurance Co. at Chicago, and is an active member of the C. L. U. chapter in that city.

Great-West Stages Drive In Honor of President

A one-month drive in honor of George W. Allan, K.C., president of The Great-West Life Assurance Co., was staged by the field force during November and established a seven years production record. During the month, 2,392 individual sales were reported, making a total of over $8 millions of new insurance. This represented a 21% increase over Nov., 1936, and was the best November in seven years. During the month, a substantial gain in business in force was also registered, the increaese for the year to date being approximately 12.5 millions.

Lloyds to Extend Operations to Kentucky

Lloyd's of London begins operating in Kentucky this month. Permission has been granted by the insurance commissioner after a deposit of $350,000 was made. Fire, casualty, bonds, auto, compensation, etc., will be featured, although the company will write all lines of insurance other than plate glass. The office, at least at the start of operations, is likely to be located at Frankfort. It is rumored that tobacco and whisky insurance is mainly what the company is after there.

Obituary

David Robert Walsh, fire commissioner for the city of Montreal since 1930, died recently in his 52nd year. Until his appointment as commissioner Mr. Walsh spent his entire life in the insurance business attached to London and Lancashire, the Royal Exchange and later with his father in the firm of M. J. Walsh and Sons, insurance brokers.

Standard Life Business

Confidently predicting another record year officers of the Standard Life Assurance Co. announced that new business figures to Oct. 1 increased by over $1 million for 1937 over the same period last year.

Dunning Lauds Life Insurance

Points to Contribution in Offsetting Effects of Depression

Life insurance as an institution made the greatest single contribution toward offsetting the effects of the depression outside of governmental assistance, the Hon. C. A. Dunning, Canadian Minister of Finance, told the annual convention of the Association of Life Insurance Presidents meeting in New York City last week.

The manner in which life insurance companies discharged their responsibilities to the public during the depression has merited the confidence of the public, "and will enable the institution to go forward into realms of wider service to meet human needs in the future," the speaker declared.

"Canada catches all the United States diseases, economic, social and to some extent even political and religious diseases," Mr. Dunning declared. "Even the grasshoppers, which on occasion destroy our western crops, invariably come from the South. I think most of you admit more satisfactory results from your investments in Canada than from your investments in any country outside of your own borders."

Benefits to Canada

Canada's advantage in having a neighbor such as United States was, Mr. Dunning believed, facility for "watching and taking advantage of your wonderful technological developments in all lines of industry.

"We have the further advantage of having a neighbor with resources of climate and geography so varied and so rich as to permit experiments on a larger scale and with wider implications than would be possible for us to undertake," he said. "We have profited by watching the results of your experiments in social and economic matters.

"I would say to you that your faith in Canada is justified and that so long as you retain faith in the future of the United States you may without fear repose the same degree of faith in the future of the Dominion of Canada."

Breweries Staffs Get Pension Plan

Canada Bud and City Club Inaugurate Plan for Employees

Canada Bud Breweries Ltd. and City Club Breweries Ltd. have adopted a group life insurance and pension plan for benefit of employees.

The plan provides for pensions, based upon average salary and years of service, to commence at age 65 in the case of male employes or age 60 in the case of female employees. It is arranged on a co-operative basis with employees contributing toward the cost of their pensions. Group insurance is included to protect the families of employees joining the plan.

An employee leaving the service at any time before retirement may receive a refund of his contributions or the equivalent amount of paid-up pension purchased to date. If, however, at least 10 years of service have been completed the withdrawing employee may receive a paid-up policy for the full amount of pension purchased to date, including that purchased by the employer's contributions.

The Canada Bud and City Club are paying the entire cost of the life insurance and past service credits in addition to a substantial share of the cost of pensions earned after the commencement of the plan.

The plan is underwritten by The Mutual Life Assurance and negotiations were completed by N. E. French, Bay Street office.

Saskatchewan Premiums Total $10.8 Millions

From Our Own Correspondent

During the calendar year 1936, residents of Saskatchewan paid $10.8 millions in premiums for life, fire and other types of insurance. Total of insurance company investments in the province for the year was $68.1 millions according to the annual report of the provincial secretary.

Munic. Bankers Maintains Cash

Next Interest Payment Probably Coming in March

Municipal Bankers Corp. (1931) Ltd. will not pay any further interest to bondholders this year, but will likely make an interest payment next March, The Financial Post is informed. The last disbursement on the income bonds was 1% in March, 1937.

Collections this year are reported to have been slightly better than in the previous four years, and rents are about 5% higher. The company's assets consist largely of second mortgages on Toronto properties. Net profit is expected to be close to $30,000, but it is considered advisable to maintain cash position at its present level of around $50,000, and accordingly an immediate distribution of interest will not be made.

It is expected another $27,000 of bonds will be retired by the end of the year, leaving approximately $1,944,500 principal amount outstanding. G. C. Lawrence, general manager and director of the company, has been appointed a trustee for the bondholders, replacing the late A. D. Sutherland.

C. N. R. Orders Near Conclusion

Only Small Balance Left to Deliver of 1937 Equipment Orders

From Our Own Correspondent

MONTREAL.—Canadian National Railways has received to date more than half the new equipment ordered in 1937. Most of the other cars will be delivered before the end of the year.

Already delivered are 2,000 steel box cars, 278 freight refrigerators, 300 gondola cars, 30 steel sand cars, 100 gondola cars for the Grand Trunk Western, 100 freight refrigerators and 200 automobile cars, also for use on United States lines. In addition the company bought 49 flat cars second-hand, while 15 snow plows are still to come.

Passenger equipment ordered includes 10 mail express cars, which will be ready within the next month, 10 baggage cars and 50 first class air-conditioned coaches. Of the coaches 35 have been delivered.

Canadian National shops at Transcona, Manitoba, are building 125 freight refrigerators. Other builders are Canadian Car and Foundry, Eastern Car Co., National Steel Car Corp., Magor Car Corp. and the Pullman Co. The latter two operate in the United States.

Dryden Paper Betters Status

Sharp Gain in Profit Provides Fund for Expansion of Plant

From Our Own Correspondent

MONTREAL.—Volume of business handled by Dryden Paper Co. for the year ended Sept. 30 last was considerably greater than in the preceding 12 months with the result that gross earnings amounted to $295,146, as against $182,262. Although a somewhat higher price for pulp was realized, the company's paper was sold at an average net of a little lower than the year before.

After providing for an increase of more than $100,000 for the depreciation reserve, the net profit for the year totalled $35,724, as against $34,243 the year before.

Profits on Larger Scale

Particulars of the profit and loss account for the past two years follow:

Income and Surplus Account
Year Ended Sept. 30

	1937	1936
	$	$
Gross income	295,146	182,263
Less: Interest	82,560	84,680
Directors' fees	190	240
Salaries	23,556	19,786
Depletion	18,114	9,353
Depreciation	135,000	33,960
Surplus	35,724	34,243
Previous deficit	34,294	68,537
Surplus forward	1,430	*34,294

*Deficit

Working Capital

	1937	1936
	$	$
Current assets	627,338	579,201
Current liabilities	66,801	60,748
Working capital	560,537	518,453

Spend on Plant

While net working capital position of the company at the end of last September showed only a moderate increase as compared with that reported at the close of the previous year, there were a number of important changes in the balance sheet position. Accounts and notes receivable advanced from $138,947 to $168,400, while cash in banks advanced from $33,245 to $63,426.

During the year the company spent on capital account about $113,000, while a further $9,000 was spent on miscellaneous equipment. The expense in this connection was provided for out of the reserve set up for depreciation.

Build Power Plant

In addition to the liabilities shown on the balance sheet, the company has contracted for extensions to its properties to an amount of approximately $143,000. This represents installation of a new hydraulic power development of 1,400 h.p.

Funded debt of the company at the end of the year amounted to $1,326,000, as compared with $1,342,000 at the end of 1936 year. This figure was arrived at after including $38,000 of bonds held in the treasury.

U. S. Policyholders Receive $2,400 Millions in Year

During 1937 some $2,400 millions will have been paid to policyholders in the United States declared Gerard S. Nollen, president, Bankers Life Co., Des Moines, speaking to the convention of Life Insurance Officers Association at New York. He based his estimate on the reports of companies doing 90% of the life business in the United States.

Of that amount 40% will have been disbursed as death claims to beneficiaries and the remainder to living policyholders in the form of endowments, annuities, surrender values, dividends, disability and double indemnity payments.

The amount of cash paid out by insurance companies equals 16% of the total received by individuals from the entire manufacturing industry of the United States, and to about 60% the amount received from agriculture.

During the year some 64 million policyholders with an average premium of $60 will have enabled the life insurance companies to invest $4,000 millions. New insurance for 1937 will approximate $15,000 millions an increase of $700 millions over last year. By the year end some 64 million Americans will hold policies averaging $1,700 each, the largest amount of life insurance ever held in tthe United States.

Life Underwriters Add Three to Directorate

Three new directors were added to the board of the Life Underwriters Association of London, Ont., at a recent meeting. They are:

R. Legg, Dominion Life,
E. H. Wahl, Metropolitan Life,
W. Lansdell, Prudential.

Committee heads are R. Legg, B. Hamilton, B. Patterson, Roy Dale, Preston Gilbride and W. A. Torney. Plans for the annual sales congress to be held the middle of February are under way.

Appointments

Excelsior Life Insurance Co. announces appointment of:

HOWARD J. CROFTS as branch manager at Hamilton.

Companies' Act Conference Comes Closer to Uniformity

Little information has been made available as to progress made at the conference between representatives of the provinces and the Dominion on uniform company law.

At the conclusion, a short statement was given out indicating that progress had been made in reaching a common basis.

The statement indicated that the members of the committee had expressed little divergence of opinion on important questions. Reports submitted by the delegates to their respective governments, therefore, are expected to indicate good prospects for reaching unanimous conclusions in respect to most of the essential problems.

Prohibition of the use of non-voting shares was favored by the committee. The principle that the voting strength of shares should be measured by the actual investment in the company by each class of shareholders was favored, in so far as practicable.

The conference was attended by representatives of each province, with the exception of British Columbia. Hon. Fernand Rinfret, secretary of state, who issued the invitation to the conference, proposed that the Dominion and the provinces should agree on the drafting of a model act to apply throughout Canada. This would be enacted by the Dominion parliament and the provincial legislatures. It was planned that the provinces should not be asked to sacrifice any of their jurisdiction but the terms of the Dominion and provincial acts would simply be made identical.

NOTICE

Notice is hereby given that the INSURANCE COMPANY OF NORTH AMERICA has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-538 authorizing it to transact in Canada insurance against loss of or damage to an aircraft, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent in Canada.

Each year for the last eleven years the Standard Life of Edinburgh has declared a . . . . . .

$21 PER $1,000

ANNUAL COMPOUND BONUS

addition to the Sum Assured and corresponding Cash Dividends . . . in 1937 this yielded for the one year to many of the older members over

$40 PER $1,000 on the original sums assured

THE STANDARD LIFE ASSURANCE COMPANY

HEAD OFFICE: 3 GEORGE STREET, EDINBURGH

HEAD OFFICE FOR CANADA, 391 St. James Street, MONTREAL

All policies are written and issued in Canada and claims are admitted and paid by the Canadian Board of Directors.

W. H. CLARK KENNEDY, Manager for Canada

FIRE INSURANCE— "Expense" or "Investment"?

By adopting the Northwestern Mutual plan of fire insurance, business men convert an "expense" into an "investment" paying substantial annual dividends. Last year this mutual company distributed $1,143,727 to policyholders in dividends.

BRANCHES ACROSS CANADA: Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Winnipeg, Saskatoon, Calgary, Edmonton, Victoria, Kelowna, Vancouver

NORTHWESTERN MUTUAL FIRE ASSOCIATION

Non-assessable Policies Assets $6,000,000

1887 GOLDEN JUBILEE YEAR 1937

THE MANUFACTURERS LIFE INSURANCE COMPANY

HEAD OFFICE: TORONTO, CANADA

The Sure Way

While you live you make daily provision for your family.

When they no longer have your support they still will need money to live in reasonable comfort.

Life Insurance is the sure way to provide it.

FIDELITY Insurance Company of Canada TORONTO

RELIANCE INSURANCE COMPANY of CANADA · Montreal · Property Insurance

Adequate Coverage?

Certain risks are uppermost in most men's minds. But risks they regard lightly may be hazardous.

It is, therefore, essential that you request your insurance agent to review your entire insurance position.

Consult him and provide him with the information required to secure adequate coverage.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED

MONTREAL TORONTO WINNIPEG CALGARY VANCOUVER

All Classes of Insurance Transacted

FIRE, AUTO, EXPLOSION, LEAKAGE, TORNADO, MARINE

BRITISH TRADERS INSURANCE COMPANY LIMITED

ASSETS $30 MILLIONS

Head Office for Canada, Metropolitan Bldg., Toronto.

COLIN E. SWORD, Manager for Canada

J. W. BINNIE, Associate Manager (Montreal)

The Independent Order of Foresters

Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, Supreme Chief Ranger. HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

"The Unwelcome Visitor."

RESIDENCE BURGLARY AND ROBBERY INSURANCE

The CANADIAN INDEMNITY Co.

Montreal Toronto WINNIPEG Calgary Vancouver

The Trusted Hand that Robs

Newspapers frequently carry tragic stories of trusted employees who couldn't resist temptation. But the tragedy for employers is that such peculations are seldom recoverable.

Trusted employees . . . there are really no such persons as long as men and women remain human beings. So put the facts to every employer in your community. Point out that a small premium invested in Pearl Fidelity Bonds will reap a large dividend of peace-of-mind . . . and may save his business from serious loss.

Make an effort to get some of this profitable business — write for details today.

PEARL ASSURANCE COMPANY LIMITED OF LONDON, ENGLAND

Head Office for Canada: VICTORY BLDG., TORONTO

LAWSON T. HARGREAVES, Manager for Canada W. C. BUTLER, Casualty Supt.

THE EUREKA-SECURITY FIRE AND MARINE INSURANCE COMPANY

INCORPORATED 1864—SAME YEAR AS PEARL . . . POLICIES GUARANTEED BY THE PEARL

A WEEK'S REST
in One Night's Sleep

★ Sink into a Hotel Cleveland bed and . . . you'll . . . *rest.* You wake up eight hours later, more refreshed than you ever expected to be from a night away from home.

You pop into a glistening tub or shower . . . you're whisked downstairs to a delicious breakfast . . . you step out the door into the very heart of Cleveland, next door to everyone and everything you want to see.

Hotel Cleveland—adjoining the Union Passenger Terminal—is Cleveland's most convenient hotel. And it's Cleveland's most *comfortable.* On your next trip you might as well *enjoy* your stay.

HOTEL CLEVELAND
Cleveland

Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping With the Times
220 Rooms

GLOBE ENVELOPES
Makers of *Wall Gummed* Envelopes
245 Carlaw Avenue
Toronto

Spend Christmas at
GRAY ROCKS INN

What could be a more delightful way of enjoying the holidays? Early ski-ing and other entertainment.
In the Laurentians!
Write for folder
Reserve now
ST. JOVITE, Que.

To
EUROPE

R.M.S. QUEEN MARY
SPEED! COMFORT!

from **NEW YORK**
to Cherbourg and Southampton
Dec. 23 AQUITANIA
Jan. 4 BERENGARIA
Jan. 12 AQUITANIA
Jan. 19 BERENGARIA
Jan. 26 AQUITANIA
to Plymouth, London
Dec. 30 ANDANIA
Jan. 6 AUSONIA
Jan. 27 ALAUNIA
Feb. 3 ASCANIA
to Glasgow, Belfast, Liverpool
Dec. 24 AURANIA
Dec. 31 *SAMARIA
Jan. 7 SCYTHIA
Jan. 21 ANTONIA
* to Cobh, Liverpool only
* calls at Boston following day

from **HALIFAX**
to Plymouth, London
Jan. 1 ANDANIA
Jan. 15 AUSONIA
Jan. 29 ALAUNIA
Feb. 5 ASCANIA
to Glasgow, Belfast, Liverpool
Dec. 26 AURANIA
Jan. 9 SCYTHIA
Jan. 23 *ATHENIA
Feb. 6 AURANIA
* Belfast, Liverpool, Glasgow

from **ST. JOHN, N.B.**
to Belfast, Liverpool, Glasgow
Jan. 28 ATHENIA
Jan. 25 ATHENIA

The largest passenger fleet on the Atlantic offers you the widest possible choice of routes, rates and dates of sailings to Europe.

Ask about our winter cruises to Nassau, West Indies, South America and Around the World.

The man to see is your own travel agent, or

CUNARD WHITE STAR LIMITED
DONALDSON ATLANTIC LINE
217 Bay Street (ELgin 3471) Toronto

Banking

October Bank Loans Drop $10.5 Millions

Bank Statement Reflects Stock Market Slump—Index of Loan to Deposits Ratio Breaks Uptrend to Show 0.4% Decline

Slight decline in Canadian banking business for the month of October is revealed by the composite statement of the 10 chartered banks to the Minister of Finance.

Loans to business are off $10.5 millions, although October usually marks an upswing for year-end business and last October loans advanced some $12.7 millions over the preceding month.

It cannot be concluded from the present bank statement alone that the recession which has settled down on United States business has definitely come to Canada, but it does indicate that the stock market slump and other economic factors had given Canadian business a wary eye even by October. Loans have not dropped anything like this amount since year-end liquidation last November and December and loans are not only one of the main gauges of bank earnings, but especially of what business thinks about the outlook.

Indication of Trend

As an indication of the trend loans in October, 1936, stood at $924.6 millions, which was $12.7 millions ahead of the preceding month. There was a decline of $8.7 millions in November and a decline from that again of $11.2 millions in December. January, 1937, marked the turn and loans climbed $10.6, climbed $8.5 in February, $14.5 in March, $18.1 in April, $12.9 in May. There was a summer decline with June down $0.3 millions and $3 millions in July, but the upturn resumed in August, ahead $13 millions and September ahead $5 millions.

Along with the decline in loans is a $34.9 million drop in investments, with a $50.9 million sale of Government long terms, a $6.7 millions sale of municipals and a $2.9 sale of publics offset only by a $25 millions purchase of short terms, which of course, assists in showing a better liquid position in the annual statement.

Deposits Lower

Non-interest-bearing demand deposits of the commercial accounts declined $34.5 millions during October which is a rather bearish note for business, although smaller interest allowances had to be made by the banks. Savings deposits of the public, on the other hand, were up over $9 millions.

Result of the month's business is that The Financial Post credit index, based on the ratio of call and current loans in Canada to Canadian public deposits broke the three-month rise and declined 0.4%. The more important items affecting the credit situation in Canada compare as follows:

Use of Bank Credit in Canada
(In millions of dollars)

	Oct. 31, 1937	Sept. 30, 1937	Change	Oct. 31, 1936	Change
Loans	971.8	982.3	—10.5	924.6	+47.2
Investments	1,410.7	1,445.6	—34.9	1,363.2	+47.5
Total	2,382.5	2,427.9	—45.4	2,287.8	+94.7
Deposits	2,262.8	2,288.1	—25.3	2,174.6	+88.2

Cash Position Better

The cash position of the banks is considerably better although the major increase was confined to deposits with the Bank of Canada.

Dividends to shareholders show a strong advance from $821,000 to $2.3 millions.

Detailed figures of the month's changes follow:

ASSETS

Immediately Available Liquid Assets

	October, 1937 $	September, 1937 $	Change $	October, 1936 $	Change $
Canadian coin	4,603,003	5,043,443	—440,440	4,860,865	—257,862
Bk. of Can notes	48,913,047	53,716,466	—4,803,419	44,340,624	+4,572,423
Bk. of Can. depos.	198,522,918	179,361,600	+19,161,318	182,876,712	+15,646,206
Bank's cash	252,038,968	238,121,509	+13,917,459	232,078,201	+19,960,767
Other bank notes	5,900,900	5,112,944	+787,956	6,006,622	—105,722
Gold & sub. coin abd.	3,926,269	4,077,895	—151,626	7,705,177	—3,778,908
Foreign banks	109,184,055	97,254,027	+11,930,028	119,448,854	—10,264,799
Foreign curr.	24,074,815	24,176,317	—101,502	23,448,649	+626,166
Gov. sec. short term	429,295,144	404,224,252	+25,070,892	461,869,458	—32,574,314
Do., long term	664,700,358	715,548,341	—50,847,983	634,805,087	+29,895,271
Call loans abroad	53,200,038	63,966,296	—10,766,258	66,258,008	—13,057,970
	1,542,320,547	1,552,481,581	—10,161,034	1,551,620,056	—9,299,509

Loans and Securities Other Than Those of Canadian Government

	October, 1937 $	September, 1937 $	Change $	October, 1936 $	Change $
Municipal secs.	105,138,443	111,873,899	—6,735,456	112,053,439	—6,914,996
Public secs.‡	77,765,509	80,713,529	—2,948,020	50,393,714	+27,371,795
Other secs.	133,786,565	133,270,530	+516,035	103,951,963	+29,834,602
Can. call loans	81,520,704	99,933,164	—18,412,460	108,547,066	—27,026,362
Current loans	769,731,884	770,684,341	—952,457	707,850,681	+61,881,203
Loans abroad	173,452,175	172,426,943	+1,025,232	160,359,901	+13,092,274
Prov. loans	26,384,622	20,128,052	+6,256,570	14,711,503	+11,673,119
Mun. loans	94,314,723	91,648,032	+2,666,691	93,517,715	+797,008
	1,462,094,625	1,480,678,490	—18,583,865	1,351,385,982	+110,708,643

Other Assets

	October, 1937 $	September, 1937 $	Change $	October, 1936 $	Change $
Non-curr. loans	11,475,903	11,611,623	—135,720	12,922,236	—1,446,333
Real estate	8,746,584	8,710,298	+36,286	8,964,196	—217,612
Mortgages	4,198,243	4,239,310	—41,067	4,510,841	—312,598
Premises	73,955,337	74,326,931	—371,594	74,773,993	—818,656
Letters of credit	63,929,170	67,196,172	—3,267,002	64,267,847	—338,677
Loans to comp.	11,591,817	11,039,077	+552,740	9,650,163	+1,941,654
Other assets	1,906,465	1,981,167	—74,702	1,529,519	+376,946
	175,803,519	179,104,578	—3,301,059	176,618,795	—815,276
Total	3,180,218,691	3,212,234,649	—32,045,958	3,079,624,833	+100,593,858
Note circ. dep.	5,976,786	5,975,111	+1,675	7,031,645	—1,054,859
Int. bank bal.	112,791,619	121,376,624	—8,585,005	115,681,528	—2,889,909
Gross	3,298,987,096	3,339,616,384	—40,629,288	3,202,338,006	+96,649,090

LIABILITIES

To the Public

	October, 1937 $	September, 1937 $	Change $	October, 1936 $	Change $
Circulation	112,206,341	108,225,813	+3,980,528	117,971,877	—5,765,536
Dom. Govt.	32,431,107	45,136,007	—12,704,900	50,045,200	—17,614,093
Prov. Govt.	37,470,354	37,976,774	—506,420	36,177,434	+1,292,920

Deposits by Public

	October, 1937 $	September, 1937 $	Change $	October, 1936 $	Change $
Demand dep.	679,125,141	713,627,549	—34,502,408	664,281,664	+14,843,477
Savings dep.	1,583,694,718	1,574,503,186	+9,191,532	1,510,319,426	+73,375,292
Total	2,262,819,859	2,288,130,735	—25,310,876	2,174,601,090	+88,218,769
Foreign dep.	426,210,980	425,153,422	+1,057,558	408,490,394	+17,720,586

Due to Banks Abroad, Etc.

	October, 1937 $	September, 1937 $	Change $	October, 1936 $	Change $
United Kingdom	11,280,503	13,683,503	—2,403,000	9,463,299	+1,817,204
Foreign	36,968,501	37,699,635	—731,134	30,310,640	+6,657,861
Bills payable	1,326,765	1,217,569	+109,196	981,004	+345,761
Letters of credit	63,929,170	67,196,172	—3,267,002	64,267,847	—338,677
Other liabs.	3,207,483	2,921,660	+285,823	2,600,992	+606,491
Total public liabs.	2,987,851,063	3,027,341,290	—39,490,227	2,894,909,777	+92,941,286
Due bet. banks	14,048,763	14,504,962	—456,199	13,600,970	+447,793

Liability to Shareholders

	October, 1937 $	September, 1937 $	Change $	October, 1936 $	Change $
Dividends	2,551,540	821,743	+1,729,797	2,542,761	+8,779
Reserve	133,750,000	133,750,000	....	133,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,283,701,366	3,321,917,995	—38,216,629	3,190,303,508	+93,397,858
Credit index*	37.6%	38.0%	—0.4%	37.5%	+0.1%

‡Other than Canadian.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

G. J. CHELEY to be manager at Ossington and Dundas, Toronto.

H. A. JOHNSON to be manager at Cadomin, Alta.

J. R. STEWART to be acting manager at Parkside, Sask.

The Canadian Bank of Commerce announces the following staff changes:

A. G. PARKS, formerly manager at Alberton, P.E.I., has been appointed manager at Montague, P.E.I.

L. H. COFFIN, manager at Montague, P.E.I., is granted leave of absence prior to retirement on pension.

A. H. MACON, formerly manager at Moosomin, Sask., to be manager at Dauphin, Man.

Bank Executive Answers Critics

Testing Time Still Ahead for Bank of Canada, He Believes

Critics of Canadian banking methods should have been enlightened by the address of B. C. Gardner, assistant general manager, Bank of Montreal, speaking to the Rotary Club, Montreal, last week. He said in part:

"Critics see that the banks have a large amount of funds which are made, in the words of the critics, 'by the public' and therefore the 'public' has a right to have these funds placed at its disposal to do with them what it will.

"It is true in a sense that these deposits are made by the public, but they do not belong to the public in the mass. They belong to a large number of individuals, partnerships and corporations.

"Loans are made to practically every class of business engaged either in production or distribution. It goes without saying that such loans can be made only to individuals and companies who will be able to pay back the money that they have borrowed. I think it is a fair statement to make that if any of our critics were sitting in our places, they would do very much the same as we do.

"Before the establishment of the Bank of Canada responsibility for the expansion or contraction of credit was not centralized in any particular chartered bank, but now this responsibility is clearly put on the Bank of Canada.

"The Bank of Canada has not passed through any testing period and its principal test will come during a period of expansion. If it endeavors to restrict credit at a time when business expansion is reaching the proportion of a boom, it is apt to be severely criticized for putting the brakes on prosperous times. If, however, it fails to check the boom until it gets out of hand, then, it is bound to be criticized for not having used those checks to prevent overexpansion.

Weekly Bank Clearings

	Dec. 2 1937 $	Change Year Ago %	Nov. 25 1937 $
Halifax	2,677,309	— 4.6	2,699,514
Saint John	2,079,077	+ 4.7	1,644,583
Moncton	781,783	— 3.4	1,040,828
Sherbrooke	705,061	+12.4	721,742
Quebec	6,230,238	—12.2	6,092,099
Montreal	140,809,619	+ 4.8	106,671,039
Ottawa	24,055,234	—11.0	18,106,701
Kingston	640,424	+ 3.4	572,915
Peterborough	694,265	+ 7.8	616,732
Toronto	156,810,243	— 6.1	115,539,842
Hamilton	5,735,548	+ 3.1	5,830,544
Brantford	1,039,407	+ 7.9	950,664
London	3,367,939	+ 8.4	2,814,636
Chatham	1,161,953	+73.3	747,891
Windsor	3,381,766	+ 2.1	3,339,715
Sarnia	543,445	+ 0.6	576,356
Sudbury	1,114,815	+ 5.9	1,037,603
Fort William	810,759	— 7.6	823,235
Winnipeg	36,942,660	—24.7	36,591,942
Brandon	381,917	+ 9.3	311,687
Regina	2,948,197	— 9.2	2,757,768
Moose Jaw	583,013	—19.9	468,001
Saskatoon	1,729,266	+ 6.1	1,119,242
Prince Albert	320,461	—15.1	335,341
Edmonton	4,055,692	— 8.2	4,313,380
Calgary	5,836,081	— 0.9	6,120,545
Medicine Hat	214,503	—15.2	230,266
Lethbridge	517,233	+ 8.1	502,578
N. W'minster	720,116	+11.6	591,996
Vancouver	20,292,185	— 7.0	16,727,367
Victoria	1,637,477	—16.1	1,673,490

Gordon Places Onus On Labor For Recession

Sees Wage Costs and Taxes Behind Stock Slump

Reason for "the sudden and precipitous" decline of the stock market "in face of easy money conditions" is largely "increased labor costs and taxes with consequent lowering of the margin of profit available for business enterprise," declared Sir Charles Gordon, president of the Bank of Montreal, addressing the 120th annual meeting of shareholders this week.

Given absence of perils such as hang over war-clouded Europe and labor troubles such as afflicted United States, the president believes, "Canada has good reason to expect a continuance of the better times which we have witnessed during the past 12 months."

Referring to the patent failure of the U. S. pump priming political gospel the president quoted with apparent approval an investment letter which states in part: "Mass psychology is a queer thing and nothing spreads faster than apprehension. It is not now of much avail to collect current business statistics, because what people are interested in is not the past or even present conditions, but what is likely to occur in the near future. What the country needs most is a period of rest."

Pointing out that a bank's big source of income is commercial loans, Jackson Dodds, general manager, declared:

"For the year ended Sept. 30 current loans of all the banks increased by $75 millions. This increase was welcome but was not commensurate with the growth in the volume of business and improvement in commodity prices. On the basis of the usual relationship between the trend of loans and volume of business, commodity prices considered, the banks in September should have been able to report commercial loans at about 92% of the total in September, 1929. Actually the total was only 55% of the 1929 figure."

Tax Burden

Dominion and provincial taxes for the year, without taking into consideration taxes paid to municipalities, amounted to over 27% of net profits or over 32% of the dividend.

During the year the Bank of Montreal took over the charter of a New York State Trust company, now known as the "Bank of Montreal Trust Company, for the purpose of more satisfactorily performing certain functions in New York on behalf of the bank's clients," he said. This expansion accounts for the increase in the balance sheet figures under the heading of shares of loans to controlled companies, now standing at $1,575,000, as compared with a nominal $4 a year ago. The assets of the company, Mr. Dodds said, are almost wholly U.S. Government short-term securities.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	1937 Nov. 29	1937 Nov. 30	1937 Dec. 1	1937 Dec. 2	1937 Dec. 3	1937 Dec. 4	1936 Dec. 4
U. S. dollar, High	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
Low	.99 7/8	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
1936, High	.99 7/8	.99[illegible]	.99[illegible]	.99[illegible]	1.00	1.00[illegible]	....
Low	.99[illegible]	.99[illegible]	.99[illegible]	.99 7/8	.99[illegible]	1.00	....
U. K. pound	4.99	4.99 1/4	4.98 3/4	4.99	4.99	4.99	4.90 1/8
Australia	3.99 1/2	3.99 3/4	3.99 3/8	3.99 1/2	3.99 1/2	3.99 1/2	3.91 3/8
Austria	.1895 1/4	.1896 1/2	.1896 1/2	.1896 1/2	.1892 1/2	.1892 1/2	.1876
Belgium	....	.1700	.1699	.1700	.1699 1/4	.1697	.1692
Brazil	.0570	.0565	.0555	.0560	.0565	.0565	.0590
Czechoslovakia	.0351 5/8	.0351 7/8	.0351 3/4	.0351 1/2	.0351 5/8	.0351 1/2	.0353 3/4
Denmark	.2228 1/2	.2230 1/4	.2227 1/4	.2229 1/4	.2228 1/4	.2228 1/4	.2189 1/2
France	.0339 1/4	.0339 1/2	.0339	.0339 1/8	.0339 1/4	.0339 1/4	.0466 1/8
Germany	.4028 3/4	.4031 3/4	.4030 1/4	.4031 1/4	.4027 1/4	.4027 3/4	.4024
Greece	.0091 3/4	.0092	.0092	.0091 7/8	.0091 7/8	.0091 7/8	.0090
Holland	.5553 3/4	.5557 1/4	.5552 1/4	.5552 1/4	.5553 1/4	.5554 1/4	.5442
Hungary	.1993 1/8	.1994 3/8	.1992 5/8	.1993 5/8	.1992 3/4	.1994 5/8	.1890
India	.3769 1/2	.3771 7/8	.3770 5/8	.3770 3/8	.3770 5/8	.3770 3/8	.2707
Italy	.0526	.0526 3/8	.0526	.0526 3/8	.0526 1/4	.0526 1/4	.0526 1/2
Japan	.2909 1/4	.2911	.2909	.2910	.2910	.2910	.2860
Jugoslavia	.0234 3/4	.0235	.0234 1/2	.0234 1/2	.0235	.0234 1/2	.0233 1/2
New Zealand	4.02 1/2	4.02 5/8	4.02 3/8	4.02 1/2	4.02 1/2	4.02 1/2	3.94 1/2
Norway	.2508 1/4	.2509 1/4	.2508 3/4	.2509 1/4	.2506 1/4	.2506 1/4	.2464 1/2
Poland	.1896	.1897	.1898	.1897	.1898	.....	.....
South Africa	4.96 1/8	4.96 3/8	4.97 7/8	4.96 1/8	4.96 1/8	4.96 1/8	4.87 3/4
Sweden	.2573 1/2	.2574 5/8	.2571 5/8	.2574 1/4	.2573 1/4	.2573 5/8	.2528 1/2
Switzerland	.2310 7/8	.2311 3/4	.2309 1/2	.2311 3/4	.2310 3/4	.2310 3/4	.2299
Hong Kong	.3122	.3124	.3123	.3122	.3122	.3124	.3063

WE GO ON FOREVER
CONTINUOUS RELIABILITY
The EASTERN TRUST CO.
REGISTRAR — TRANSFER AGENT
EXECUTOR — TRUSTEE
Head Office: Halifax, N.S.
Branches—Montreal, P.Q.; St. John, N.B.; Charlottetown, P.E.I.; Moncton, N.B.; Saint John's, Newfoundland; Toronto, Ont.
TORONTO OFFICE: 330 BAY ST.
H. C. OXLEY, Manager

Bank of Canada Weekly Statement

Some large adjustment in Bank of Canada holdings is under way, the weekly bank statement reveals. Because of the bank's purpose as a credit control, its operations cannot always be fully and at once divulged.

This week, for instance, "all other liabilities" have increased $12.5 millions and "all other assets" have increased $11.5 millions. What this really means it is now impossible to say, but future weeks' statements may do something to reveal where these millions are going or coming from.

Holdings of short term government securities declined $12.5 millions and holdings of longs are down $0.9 millions. Deposits of the chartered banks with the Bank of Canada decreased by $17 millions; reserve in U. S. dollars and sterling was off $5.3 millions and circulation of Bank of Canada notes was lower by $1.7 millions.

Balance Sheet

	Dec. 1 1937 $	Nov. 24 1937 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	156,124,519	157,892,627
Rest fund	743,716	743,715
Depos.: Dominion	28,497,425	28,963,645
Banks	200,750,590	217,780,314
Other	711,420	1,315,975
Total deposits	229,869,435	248,059,934
All other liabs.	15,446,385	2,976,345
Total liabs.	412,284,055	419,772,621
Assets		
Reserve: Gold	179,631,374	179,883,216
Silver bullion	2,698,459	2,690,023
Res. in sterling and U. S.	20,673,016	26,012,764
Other curr.	512	512
Total reserve	203,003,361	208,586,515
Subsidiary coin	125,305	131,904
Investments:		
Dom govt. short	83,868,475	96,463,497
Other Dom. govt.	96,863,496	97,706,758
Other secs.	12,192,800	12,184,800
Total invest.	192,924,771	206,355,055
Premises	919,969	919,718
All other assets	15,310,149	3,779,429
	412,284,055	419,772,621
Reserve ratio	52.59%	51.38%

Bank Chat

Bank Salaries

Whatever some people say about the wages paid bank employees, the job has compensations. Speaking to the annual meeting of the Bank of Montreal this week, General Manager Jackson Dodds, outlined a few of them.

Only juniors are taken into the bank service, so that all vacancies are filled from the ranks. Hence the best jobs in the institution are there for the junior to shoot at.

Every junior entering the service becomes a member of the bank's pension fund society which makes provision for them after retirement or, if incapacitated, after 10 years service. The fund also provides for widows and minor children. Group life, sickness and accident insurance is available for all employees, with life premiums paid in part by the bank.

Mr. Dodds points also to the fact that employees are fired only for dishonesty or incompetence, and that during the depression none of the staff was sacrificed for economy.

"Members of the staff are encouraged to take courses in banking and allied subjects, the bank in addition to reimbursing the fees, granting a bonus to successful candidates.

"Our officers are expected to take an active part in the life of the communities in which they are employed, but for obvious reasons they keep out of politics beyond exercising their franchise according to their own views with which the bank has no right nor desire to concern itself."

• • •

Quebec Salaries

Several bank officials confronted with the announcement of the Quebec Fair Wage Board that salaries and working hours of Quebec bank clerks may soon be government regulated were not perturbed. Salaries for bank clerks in Quebec were considerably different to salaries paid in most other provinces, they indicated; also that there was considerable variety in the wages paid by the various banks. The Quebec Board chairman, Judge Ferdinand Roy said that a study has been made of Quebec wages and that the Board may pass a special ordinance increasing them until legislation can be secured.

• • •

Bullish Bankers

Uniquely enterprising in "public relations" with its plan of extending credit on the hoof was the First National Bank of Clarksville, Tenn., which 20 months ago purchased 50 pure bred Hereford bulls and lent them to as many district farmers.

The purpose was mainly to stimulate livestock production in the community. First National finds that at the close of 1937 it has made more loans to farmers than in any previous year, that livestock operations have made a good profit and the bank's business is booming.

Several of the bulls are named after bank directors and officers and farmers are now being encouraged to purchase them.

Monthly Bank Clearings

	November, 1936 $	November, 1937 $
Halifax	10,298,623	12,105,083
Saint John	7,886,163	8,262,053
Moncton	3,460,418	3,963,625
Sherbrooke	2,546,563	3,156,961
Quebec	22,407,181	25,264,451
Montreal	536,684,605	484,130,818
Ottawa	112,793,212	92,039,668
Peterborough	2,714,759	3,400,815
Toronto	596,688,765	561,524,956
Hamilton	20,710,556	24,797,299
Kitchener	4,672,121	4,823,942
Brantford	3,803,276	4,360,397
London	11,690,816	12,659,714
Sarnia	1,895,543	2,210,724
Sudbury	4,195,837	4,545,313
Fort William	3,293,576	3,749,982
Winnipeg	207,323,622	183,791,113
Brandon	1,462,814	1,748,794
Regina	17,240,068	13,272,223
Moose Jaw	3,082,270	2,440,925
Saskatoon	6,966,154	5,546,954
Prince Albert	1,607,902	1,555,204
Edmonton	17,382,722	20,323,565
Medicine Hat	1,014,096	1,122,723
Lethbridge	2,221,453	2,823,637
New Westminster	2,593,335	2,959,347
Vancouver	78,912,922	76,631,780
Victoria	7,098,130	7,316,069

AIR-CONDITIONED
FLORIDA SUNBEAM
This IS *THE* WAY, WISE TRAVELERS SAY

FIRST TRIP, DEC. 16

Follow the lead of the *experienced* winter visitors to Florida. Ride the "FLORIDA SUNBEAM." Fast, direct service to both coasts of Florida through the scenic, central region of a thousand beautiful lakes. Visit both coasts of Floridas and Asheville, N.C., at no extra rail fare. The finest modern train equipment: Pullmans, coaches, excellent dining car service. Safe, comfortable train travel at very low cost. Ticket your automobile—ask Ticket Agent.

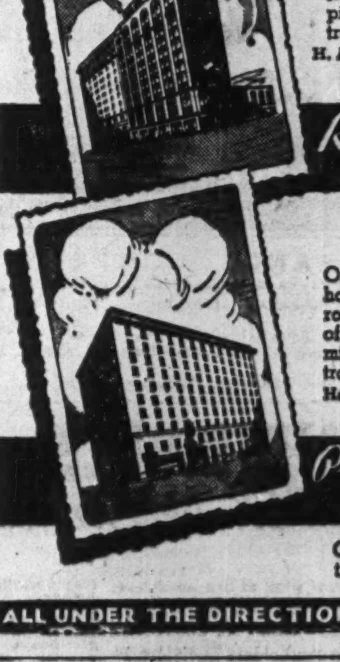
Other Trains to Florida
PONCE DE LEON Lv. Detroit ... 11:45 am
ROYAL PALM Lv. Detroit ... 11:45 pm

Leave Detroit . . . . 11:45 pm
Sleeping cars open at 10:00 pm

F. C. Foy, Can. Pass. Agt.
706 Canadian Pacific Bldg., Toronto
Telephone Elgin 8173

NEW YORK CENTRAL SYSTEM ◆ SOUTHERN RAILWAY SYSTEM
SEABOARD AIR LINE RAILWAY

3 *Outstanding Hotels* IN 3 FINE CITIES



NIAGARA ROARS ITS MIGHTY WELCOME!!
Commanding the finest possible view of the seventh wonder of the world, the beautiful General Brock is also world famous for its sun deck and magnificent Rainbow Deck.
Ronald P. Peck, Resident Manager
General Brock Hotel
NIAGARA FALLS, ONTARIO

IN THE HEART OF ORCHARDS AND INDUSTRY!!
Serving the rich agricultural and industrial Niagara peninsula, the Royal Connaught's far famed hospitality has become international tradition.
H. Alexander MacLennan, Resident Manager
Royal Connaught Hotel
HAMILTON, ONTARIO

SIX MINUTES FROM THE HEART OF DETROIT!!
One of Canada's really outstanding hotels, the beautiful, modern, 300-room Prince Edward is in the centre of Windsor—yet by tunnel—only six minutes from Cadillac Square, Detroit.
Harry A. Peters, Jr., Resident Manager
Prince Edward Hotel
WINDSOR, ONTARIO

Of course, when in Montreal, it's the beautiful Mount Royal Hotel.

ALL UNDER THE DIRECTION OF VERNON G. CARDY

Position of Chartered Banks of Canada as of October 30th, 1937, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $
Montreal	24,428,895	18,413,157	6,312,195	....	185,224,055	431,565,155	64,203,843	2,853,313	3,015,185	6,212,199	213,945
Nova Scotia	9,252,064	1,143,632	467,002	....	46,175,364	148,142,704	44,551,995	2,051,918	205,590	1,739,536	24,530
Toronto	4,158,570	1,563,634	1,254,001	....	30,189,145	77,258,820	234,741	786,672	912,050	1,356,195	694,400
Provinciale	3,303,616	148,935	1,124,467	....	6,988,003	38,810,635	135,421	....	....	108,642	....
Commerce	23,367,342	3,485,851	12,535,056	....	151,756,263	308,143,431	61,821,028	2,110,397	1,834,778	9,262,019	38,776
Royal	20,823,454	3,435,778	8,531,682	....	169,053,302	313,373,163	246,261,931	439,150	1,591,008	12,439,823	326,040
Dominion	5,810,481	1,109,849	435,303	....	29,843,153	73,835,614	3,723,810	1,877,521	240,431	726,439	....
Nationale	5,666,909	710,678	461,890	....	24,678,302	99,707,417	964,375	2,104,565	59,623	641,940	29,074
Imperial	6,044,775	2,378,936	6,348,274	....	34,106,170	88,939,754	424,953	1,567,641	629,471	2,475,956	....
Barclay's (Canada)	350,235	40,657	484	....	1,611,384	3,917,935	3,888,883	257,386	2,792,367	2,005,752	....
Total	112,206,341	32,431,107	37,470,354	....	679,125,141	1,583,694,718	426,210,980	14,048,763	11,280,503	36,968,501	1,326,765

NAME OF BANK	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $	Capital Authorized $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are partners $	Average Notes and deposits with Bank of Can. $	Greatest amount of Notes in Cir. $
Montreal	7,759,145	2,535,661	732,333	39,000,000	36,000,000	828,469,087	50,000,000	36,000,000	8	985,006	82,124,290	25,131,655
Nova Scotia	5,687,918	85,455	6,610	24,000,000	12,000,000	395,534,413	15,000,000	12,000,000	12	3,303,177	21,016,000	9,578,257
Toronto	1,478,458	....	150,801	9,000,000	6,000,000	135,037,490	10,000,000	6,000,000	10	827,055	11,057,745	4,438,765
Provinciale	57,478	1,879	4,855	1,000,000	4,000,000	55,683,636	5,000,000	4,000,000	6	232,825	4,876,007	3,346,176
Commerce	20,454,397	....	613,469	20,000,000	30,000,000	645,422,812	50,000,000	30,000,000	8	3,232,225	45,651,933	23,367,348
Royal	22,103,674	57,925	720,067	20,000,000	35,000,000	863,157,603	50,000,000	35,000,000	8	1,569,617	46,273,282	31,014,904
Dominion	3,248,124	345,112	2,566	7,000,000	7,000,000	134,698,408	10,000,000	7,000,000	10	910,361	7,685,063	6,177,241
Nationale	691,285	181,703	143,874	5,000,000	7,000,000	148,041,640	10,000,000	7,000,000	8	98,258	11,183,543	5,788,424
Imperial	936,888	....	176,365	8,000,000	7,000,000	150,020,386	10,000,000	7,000,000	10	605,188	11,256,715	6,044,775
Barclay's (Canada)	1,511,808	....	....	750,000	1,500,000	18,626,891	1,500,000	1,500,000	....	....	710,411	371,650
Total	63,929,170	3,207,435	2,551,540	133,750,000	145,500,000	3,283,701,366	211,500,000	145,500,000	....	11,753,712	241,834,988	115,259,200

(Columns from Capital Authorized onward printed under SUPPLEMENTARY INFORMATION.)

‡Of this amount $46,190,767 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada prior to Aug., 1935. * And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and subsidiary Coin held in Canada $	Gold and Subsidiary Coin held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other Banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt sec. short term $	Govt. sec. long term $	Canadian municipal securities $
Montreal*	931,918	83,681	14,865,924	69,884,930	1,500,966	461,264	26,217,465	....	1,222,754	10,478,541	151,462,042	193,407,525	37,302,670
Nova Scotia	315,814	1,193,729	3,370,254	17,779,520	471,062	4,313,620	9,037,703	....	861,053	8,841,722	29,893,178	60,630,803	12,452,039
Toronto	211,303	....	2,115,607	8,083,696	252,635	83,220	6,694,352	....	647,875	1,992,279	12,802,668	36,908,795	7,881,952
Provinciale	194,064	....	901,862	2,982,901	230,850	80,457	2,177,031	1,311,614	4,945	69,739	4,059,345	10,525,677	8,268,254
Commerce†	780,981	182,047	7,194,249	41,175,523	912,410	1,075,426	17,116,250	4,827	560,603	23,100,860	101,949,611	115,229,929	9,089,450
Royal‡	1,165,306	2,466,889	9,505,873	40,120,979	1,416,242	17,738,067	27,157,007	3,821	15,945,558	27,127,944	102,762,983	147,274,324	8,747,505
Dominion	217,239	515	3,082,879	4,295,114	389,675	116,367	6,121,051	....	225,078	666,213	4,966,518	34,427,502	4,623,272
Nationale§	477,315	418	2,177,969	5,663,941	416,075	90,186	7,664,341	558,428	2,930	1,601,200	6,691,835	23,169,119	12,591,183
Imperial	277,906	....	4,624,189	8,090,465	307,905	106,211	6,466,452	619,304	628,906	1,888,126	11,750,146	38,583,500	4,165,148
Barclay's (Can.)	[illegible],207	....	78,248	445,849	6,080	9,997	224,832	1,417,141	2,689,099	1,629,623	2,956,868	4,593,184	16,961
Total	4,603,003	3,926,269	48,913,047	198,522,918	5,900,900	24,074,815	108,876,484	3,915,135	22,788,808	86,395,247	429,295,144	664,700,358	105,138,443

NAME OF BANK	Public sec. other than Can. $	Other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-Current loans $	Real estate other than Bank premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets‡ $
Montreal*	17,085,917	38,459,902	6,857,700	19,878,944	150,922,643	20,031,874	3,129,229	28,401,750	2,278,804	611,332	581,228	13,700,000	1,350,011	1,820,146	829,683,936
Nova Scotia	1,325,937	13,737,207	8,761,092	2,281,946	83,388,354	14,016,474	1,492,663	5,992,817	600,613	....	103,082	6,456,169	524,064	2,715,914	397,052,892
Toronto	1,082,700	3,835,819	8,385,062	....	40,494,119	....	....	4,844,153	128,485	[illegible]	41,287	3,407,473	238,367	....	136,640,355
Provinciale	....	2,506,087	4,980,858	....	12,415,014	....	30,775	1,664,332	79,513	681,365	348,563	2,102,757	176,550	140,913	56,049,287
Commerce†	27,758,879	25,528,128	17,477,444	14,019,782	147,015,545	22,078,988	8,052,090	19,714,706	3,770,558	2,639,526	1,590,436	14,931,391	1,230,000	4,002,042	649,330,122
Royal‡	30,346,860	30,477,352	19,014,262	13,894,197	189,768,085	115,887,176	6,198,432	11,145,761	3,623,436	2,987,521	747,780	15,251,484	1,550,000	4,310,288	867,035,682
Dominion	....	3,334,586	6,841,207	2,742,848	51,025,633	702,804	....	1,745,218	322,701	98,639	36,567	3,758,900	332,326	183,603	135,510,067
Nationale§	178,217	9,801,554	7,510,746	158,291	44,767,803	32,650	1,488,010	14,347,342	335,042	1,518,121	380,918	5,807,213	238,630	190,424	140,532,398
Imperial	....	110,930	6,166,163	....	55,163,477	....	5,967,425	6,458,544	328,768	200,060	372,383	6,000,000	309,137	131,576	150,667,419
Barclay's (Can.)	190,000	....	525,900	....	1,871,372	....	....	....	10,963	....	....	450,000	17,712	....	18,655,073
Total	77,765,509	133,786,565	81,520,705	53,200,038	769,731,884	173,452,175	26,384,622	94,314,723	11,475,903	8,746,584	4,198,243	73,955,337	5,976,786	13,498,158	3,298,987,096

*The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of a local incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement. — Footnote to the Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return. — Footnote to Banque Canadienne Nationale return.

‡Total assets include $63,929,170 letters of credit outstanding as shown in liabilities.

Week in Mining

Proration May Prove Blessing in Disguise

Steps Towards Solving Marketing Problem, Plus New Wells, Keep Market Strong — Finance Companies and Gold Mining

Mounting production, plus tangible steps towards solving the marketing problem have kept the western oil stocks strong in recent weeks.

News that the first addition to the Royalite pipe line system would be completed some weeks ahead of schedule, and will be in operation about the middle of this month, helped kill fears that further proration would be necessary in the near future, giving a fillip to the market. Necessity of further proration has not, it is held in oil circles, been entirely removed, but the fact that by the middle of this month the pipe line capacity will be raised from 10,000 to 13,000 barrels a day, certainly helps.

New wells continue to come in space, and there is every reason for believing that by the end of the year, potential production from the valley will be between 10 and 12 million barrels a year, against present western Canadian refinery capacity of about 3½ million barrels yearly, and against total Canadian oil consumption of about 38 million barrels a year.

Blessing—Well Disguised

Taking the long view of the western oil situation, it may well be that the marketing problem which has led to restriction of output may have been a blessing in disguise to Turner Valley. This view is supported by the history of the United States oil fields of Kansas, Oklahoma and Texas. These oil areas at one time faced almost the identical problem at present facing Turner Valley. In 1926, proration was first tried as an experiment. It has now become part of the regular operating routine of the industry.

Through this policy, United States oil men are now fairly agreed, a stability otherwise impossible has been given the industry. Prior to proration, the output of wells was limited only by its capacity to produce. Wells would gush thousands of barrels daily for a short time and would then have to be equipped with pumps. Operators necessarily adopted the wide-open policy because if they did not get the oil through their well, their neighbor would drain it through his. The valuable gas pressure, which provided natural motive power for shooting the oil to surface, was being dissipated.

The curse of overproduction hit the oil fields. Proration has largely eliminated all these evils and is conserving the oil and gas for future use, and, at the same time, keeping prices at fair levels.

If Turner Valley oil operators had not been faced with this really difficult problem of marketing, it is extremely doubtful if production restrictions would have been forced, and cut-throat prices, gas and oil wastage, and a short-lived field would have been the result.

* * *

Finance Companies

In connection with the article on financing and exploration companies appearing in this issue, the comment of G. M. Loeb in his "Unorthodox Investment," published by Barron's, is of timely interest. Writes Mr. Loeb:

"There is one more medium of investing in gold mines, and that is through the finance company. There are several of most excellent management, records and reputation in London, and at least one in Toronto. These companies, if properly managed, have their own engineering and prospecting staffs, and develop new mines in the field. Original expenses are paid out of pocket; successful prospects are financed and later capitalized, and, in part, distributed to the public. I feel the best ones are more attractive than general investment trusts, partly for the reason already expressed, that appraisal of mines is more certain than appraisal of industrial rail or utility prospects. Furthermore, their specialization is likely to be an additional advantage.".

* * *

Asbestos as Index

The fact that Quebec's asbestos production in October, as reported by The Post's Quebec correspondent, showed a sharp drop in October is rather significant in view of the fact that this industry, chiefly an export one, is considered to be sensitive to conditions abroad and in United States. Moreover, the October decline is the first break in a long period of increased output.

Index to Mining Stocks

Both gold and base metal groups closed the week ended Dec. 2 with moderate advances to their credit, although general weakness was evident on Nov. 30. In consequence the Dominion Bureau of Statistics' price index for 24 mining issues mounted from 126.4 for the week of Nov. 25 to 130.1 for the following week. Mines moved quite similarly to industrials, but were more uniformly upward with trading volume at a low ebb. With the exception of one day the gold index recorded gains, as strength appeared in the seniors and prices of Kaffirs in London moved higher. Dome was the main feature in this section. The base metal index staged an advance of 16.2 points in the first two days but declined from 201.3 on Nov. 27 to 195.6 on Dec. 1. Despite lower copper prices on outside markets, base metals rose on Dec. 2 to 199.3. The gold group registered a net gain of 3.4 points to 115.2 and the base metals 14.2 points to 199.3. The Bureau's monthly general index of mining stocks was 129.4 for November as compared with 121.6 for October.

Miners Fight Proposed Law

Object to "Blanketing" Clause in B. C. Revisions

From Our Own Correspondent

VANCOUVER. — Suggested changes in the mining laws of British Columbia, now before the legislature, have brought considerable criticism from prospectors and other mine interests who claim that their enforcement would hamper rather than encourage development of new properties.

Prospectors object to the provision which would eliminate blanket staking of claims. A prospector would be allowed to stake three claims in his own name in any mining division and six more in the name of two other persons, thus allowing a total of nine claims. The Government regards this a sufficient number and the clause will probably not be changed.

But Liberal members of the house would modify the new rule by which a prospector who wants to abandon a claim in order to stake another must pay $10 for the privilege. Another regulation which may be modified provides that if a prospector fails to renew his license for even 24 hours, claims staked in that time are invalid.

Prospectors also object to the new policy by which they must do assessment work annually on all claims. In the past they could pay the government fees in lieu of work.

Norgold to Await Neighbor's Results

With a working capital of $23,484, Norgold Mines, in the Bousquet area of Quebec, will suspend drilling on its property, awaiting results on the neighboring property of Cassel-Duval property, Henry J. Martin has informed shareholders.

Drilling on the Norgold property, which was aimed at picking up the ore zone on the Cassel-Duval favorable zone, produced negative results, Mr. Martin states. It is felt that perhaps the zone swings farther to the north or south than assumed in Norgold's projection, in which case the drilling would not have been in the most favorable section.

Balance sheet as at Aug. 31 prepared by the company's auditors, shows cash in banks of $28,543. Accounts payable totalled $5,084. Statement of income and expenditure from Jan. 1, 1936, to Aug. 31, 1937, shows total expenditures in the period of which $30,811 was paid in cash. Income derived of $41,000 obtained from the sale of 410,000 shares of stock.

Asbestos, Silver Quebec Features

Production Shows Sharp Increase in 10 Months

From Our Own Correspondent

QUEBEC.—An increase of practically 100,000 tons in asbestos production in the province for the first 10 months of the previous year, together with a jump in silver production of 104,000 ounces, features the latest mining report covering the period between Jan. 1 and Nov. 1, 1937.

Asbestos production for the month of October itself showed a drop of some 4,700 tons over the same month last year, but previous increases enabled output for the 10-month period to show a healthy increase. Figures covering the 10-month period each year are as follows:

10 Month Output (Jan. 1 to Nov. 30)

	1937	1936
Asbestos, tons	342,502	242,556
Gold, ounces	580,359	559,926
Silver, ounces	719,660	615,468
Clay products	$687,167	$618,988
Lime, tons	129,006	108,508
Cement, barrels	2,287,893	1,880,847

Monthly Totals

	Oct. 1937	Oct. 1936	Sept. 1937
Asbestos, tons	33,471	38,231	29,211
Gold, ounces	63,442	60,011	61,100
Silver, ounces	96,890	94,527	80,896
Clay products	$113,262	$82,953	$117,540
Lime, tons	10,688	13,494	11,051
Cement, barrels	267,537	229,400	234,527

Mining Company Charters

Claude Crossgrade Mines — Que. incorp. Nov. 6, 1937. H.O. Montreal. Auth. cap. 2,000,000 shares, $1 par.

Conwe Gold Mines—Ont. incorp. Nov. 10, 1937. H.O. Toronto. Auth. cap. 3,000,000 shares, $1 par.

East Rouyn (Quebec)—Que. incorp. Nov. 15, 1937. H.O. Noranda. Auth. cap. 2,500,000 shares, $1 par.

Excelda Gold Mines—Que. incorp. Nov. 9, 1937. H.O. Rouyn. Auth. cap. 49,995 shares.

Kenisle Mining Company — Ont. incorp. Nov. 12, 1937. H.O. Toronto. Auth. cap. 300,000 shares, $1 par.

Goldbanks-Kirkland Mines — Ont. incorp. Oct. 29, 1937. H.O. Toronto. Auth. cap. 3,000,000 shares, $1 par.

Trans-Canada Development & Drilling—Que. incorp. Nov. 8, 1937. H.O. Montreal. Auth. cap. 49,000 shares, $1 par.

SURRENDER OF CHARTER

Alcona Gold Mines—Ont. incorp. Nov. 14, 1923, has surrendered its charter and will be dissolved as and from Nov. 29, 1937.

Snowshoe Mines—Ont. incorp. June 12, 1934, has surrendered its charter and will be dissolved as and from Nov. 30, 1937.

Lakman Gold Mines — Will apply to lieutenant-governor of Ontario for leave to surrender its charter.

Silverleaf Mining Co.—Will apply to the secretary of state of Canada at Nov. 30, 1937, for acceptance of the surrender of its charter.

North River Mining Co.—Will apply at Nov. 27, 1937, for acceptance of the surrender of its charter.

Smelters Payment Benefits C. P. R.

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway's coffers will be enriched to the extent of $3,365,000 as a result of Consolidated Mining & Smelting Co. of Canada declaring a dividend of 50 cents a share plus a bonus of $1.50 a share for the second half of 1937. During the first half of the year, Smelters paid $1.50 a share, so that the C. P. R.'s total income on its 1,682,500 shares of Smelters for 1937 totals $5,888,750.

The income from Smelters this year is equal to about 44 cents a share on the C. P. R. ordinary stock.

Moneta Ready For Milling

Plans Up to Schedule—Production in January

Moneta Porcupine Gold Mines, whose stock has been one of the features among the junior listed issues in the past week or so, is well up to schedule with its mill plans, The Financial Post learns, and production will start on a 150-200-ton daily basis some time in January.

In the meantime, the shaft is being deepened and three new levels are to be opened up as well as the four formerly developed. The present objective of the shaft is to the 1,000-foot horizon, with the new levels to be at 675, 825 and 975 feet. At the present time the shaft is down to about 825 feet. Shaft sinking, some raising to surface and mill construction form the chief work at the property at present and no work is being done in ore at the moment.

Officials of the company are reluctant to make any estimate as to grade of ore, but it is understood that the $23 per ton being spoken of on the street is slightly optimistic. The Post understands that around $20 would be a closer figure. Operating costs are estimated to be around $7 per ton. No tonnage estimate has been made public.

The rapid rise in the market price of this stock in the last week is attributed more to a technical stock position rather than to any spot news development at the mine. The fact that at the present time work is of a routine nature supports this belief, although the general development of this property, from a long neglected plot of ground to what appears to be one of the highest grade properties in the Porcupine camp, has stimulated the market to a degree.

The new mill has not as yet been tuned up but some low-grade may shortly be passed through as a preliminary to January production.

Anglo-Canadian Holding Lists Stock in Montreal

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading capital stock of Anglo-Canadian Development and Holding Co. The listing covers the authorized capital of one million shares, of which 682,550 shares have been issued and 317,450 shares remain in the treasury.

Anglo-Canadian Development owns investment share interest in a number of Alberta Oil companies, as well as owning outright 18,960 acres of various Alberta fields.

Drilling Contractors Ltd., which possesses four complete sets of Rotary Drilling Equipment, is a wholly owned subsidiary.

C.I.M.M. Offers Prizes For Papers on Safety

The Canadian Institute of Mining & Metallurgy has announced that two important prizes will be awarded at the annual general meeting in Toronto in March, 1938, for the best papers dealing with accident prevention and rescue work in the Canadian mining industry. The competition, which is open to anyone from manager to mucker connected with the industry, and to students in mining and metallurgy at any Canadian college or school, closes Jan. 15, when the papers must be in the hands of the secretary of the Institute.

The prizes are being provided by the Mine Safety Appliance Co. of Pittsburgh and Canada.

Supertest Petroleum Pays 25c a Share Extra

Holders of common and ordinary shares of Supertest Petroleum Corp. will receive an extra dividend of 25 cents a share with the regular payment of 50 cents a share on Jan. 3, 1938. Share warrants will sell ex-coupon on Dec. 31. The company also declared the regular semi-annual dividend of 75 cents a share on the class B preferred stock, payable Jan. 3, 1938, to shareholders of record Dec. 17.

Declaration of the latest extra dividend will bring payments on the ordinary and common stocks to $1.50 a share for 1937 as similar extras were paid on July 2. This establishes a new high level for dividend payments on these stocks as $1 a share was paid last year. The previous high level was reached in 1930 when a regular dividend of 80 cents plus an extra of 30 cents a share was paid.

McColl Frontenac Oil Acquires Perfection Oil

From Our Own Correspondent

MONTREAL.—Directors of Perfection Petroleum Ltd. have agreed to an exchange for McColl Frontenac Oil Co. on the basis of one preferred of McColl for four preferred shares of Perfection.

Perfection Petroleum has 9,288 preferred shares outstanding and 2,322 shares of McColl Preferred are necessary to effect the exchange.

The Montreal Trust Co. is prepared to effect the transfer of stock immediately.

Bralorne Mines reports November production at 8,149 fine oz. from treatment of 14,863 tons.

Noranda Plans Hallnor Mill

Porcupine Property to be in Production Next Summer

Among those properties definitely scheduled for production next year is Hallnor Mines, subsidiary of Noranda Mines. The property of Hallnor Mines is in the Porcupine area, where Noranda has already met with notable success with its Pamour Porcupine property. Hallnor owns the 160 acres known formerly as the Poulet-Veteran claims. After extensive development of this property since last year, Noranda directors have now authorized a 400-ton mill, to be ready for operation by next summer. The present plan is to start operations at 250 tons, gradually stepping up operations to the 400 ton mark.

The property was acquired in 1936 from Porcupine Quartet Gold Syndicate, which received a cash payment of $25,000 and 67,500 shares of an authorized capitalization of two million shares, $1 par value.

Hallnor property, which adjoins Pamour on the west, has given indications that its grade will be higher than Pamour's, and will possibly be over $10 per ton. No official estimate of ore reserves has been made public.

Hutchison Lake Gold May Open New Levels

Hutchison Lake Gold Mines is concentrating underground development on the No. 4 or principal vein, with drifting in progress, W. G. Chapman, secretary-treasurer, informs The Financial Post. To explore ore possibilities further west and north, a series of horizontal holes will be drilled at intervals from the 225-ft. level.

Projected underground drilling also includes the sinking of several holes below the 225-ft. level in order to cut the downward extension of the No. 4 vein and other ore zones before deciding upon the establishment of new levels at 325 and 425 ft. New assay office is now equipped and operating, and it is intended to bulk sample the vein after each round as drifting proceeds.

Additional finances have been negotiated and a block of treasury shares were bought for cash by a Toronto group.

Say Mine Frauds Augment Relief

From Our Own Correspondent

VANCOUVER.—Several mining securities rackets will be curbed under legislation now being put through the British Columbia legislature.

House-to-house canvassing of mining stocks and all other securities except those which may be purchased for trust fund purposes will be outlawed. Telephone solicitation by brokers peddling similar securities is also out. Women members of the Legislature said that the house-to-house canvassing of mining stocks had victimized many women, and that some people were on relief as a result of poor speculations.

Smith-Thorne ReFinanced

Tianaga Gold Carries on Where Hollinger Left Off

From Our Own Correspondent

SUDBURY.—Taking up the work where Hollinger Consolidated Gold Mines left off some months ago, a new company known as Tianaga Gold Mines will undertake development of the Smith and Thorne groups of claims in the Harwood Lake district. Announcement to this effect was made in Sudbury this week.

The properties which will be worked by Tianaga are virtually the same claims which were optioned to Hollinger, and on which the company sank an incline shaft to 600 feet and opened up four levels.

Plan Small Mill

Tianaga Gold Mines has a capital of only 300,000 $1 shares. It is stated sufficient capital has been provided to sink and develop another level, to put a small mill into operation and to carry the operation into production.

The financing programme has been arranged through the placing of 200,000 shares, which will also take care of the property purchase. One hundred thousand shares will remain in the treasury. The operation has been privately financed, and here will be no public offering of shares.

Robert A. Findlay, M.E., formerly with the McIntyre-Porcupine Mines, has been engaged as manager.

Profit Higher For Seagram

Earns $1.25 a Share, Against $1.07 Year Ago

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagram's Ltd. earnings for the three months ended Oct. 31 last, amounted to $2,369,967, as against $1,859,643 for the like period in 1936.

Total sales for the quarter aggregated $23,302,529. This compares with $18,039,191 for the same quarter in 1936. After providing for the cost of goods sold, selling and administration expenses, interest charges, preferred dividend, etc., the surplus was equal to $1.25 a share on the capital stock, as against $1.07 a share for the same three months in 1936.

Following is the consolidated statement of earned surplus and profit and loss for the three months ended October 31, 1937, with comparisons for the same date of 1936:

	1937 $	1936 $
Sales less freight, etc.	23,302,529	18,039,191
Less: Cost of goods	16,524,128	12,643,649
Gross profit	6,778,401	5,395,542
Misc. income	26,560	22,536
Total income	6,804,961	5,418,078
Less: Sell., gen. & adm. expenses	3,504,168	2,825,416
Directors' fees	250	250
Exec. salaries	84,276	76,004
Legal fees	46,974	51,760
Interest (net)	118,688	176,257
Depreciation	*26,482	†39,054
Loss on investments	60,000	......
Income taxes	594,155	389,695
Net profit	2,369,967	1,859,643
Less: Pref. divd.	187,500	......
Surplus	2,182,467	1,859,643
Add: Prev. surplus	22,639,744	16,854,325
Surplus forward	24,822,211	18,713,968

*Depreciation provided during the period amounted to $219,570 of which $193,088 has been charged to cost of production and $26,482 as above.

†Depreciation provided during the period amounted to $177,491 of which $138,437 was charged to cost of production and $39,054 as above.

Price War in New York

Sales during the current quarter may be affected by the price-cutting in the New York area. A retail liquor price war is now in progress, and the company's American subsidiary, Seagrams Distilling Corp., has taken out injunction against concerns which are alleged to have engaged in price-cutting. Other manufacturers, including Calvert Distillers Corp., Schenley Distributors, National Distillers Products, Olde Tyme Distillers, have taken similar action.

Trinity Building Position Better

An increase of $800 over 1936 in net income before depreciation is shown in the annual report of Trinity Building Ltd., Montreal, for the year ending Sept. 30, 1937. The improvement is due to an increase of approximately $1,000 in gross rentals.

A reduction of interest on the first mortgage from 6½% to 5% was secured by the management when the mortgage was renewed on Dec. 1, 1937. The first payment of interest at the fixed rate of 4% falls due on June 1, 1938 and the report states that there is no probability of its payment on that date.

Income and Deficiency Account
Years Ended Sept. 30

	1937 $	1936 $
Rental revenue	14,640	13,658
Less: Oper. exps.	5,437	5,345
Taxes	3,480	4,011
Man. exps.	1,957	1,272
First mort. int.	1,792	1,858
Profit before deprec.	1,973	1,172
Less: Deprec.	*2,123	*2,123
Loss for period	150	951
Prev. deficit	7,346	6,395
Less: Compromise	**1,650	......
Deficit forward	5,847	7,346

*Depreciation is regularly charged at the rate of 2½% on buildings and 10% on equipment. In 1936 and 1937 the company deferred 50% of the regular charge, to be charged in subsequent years.

**On cash settlement of certain accounts payable.

Working Capital

	1937 $	1936 $
Current assets	1,498	3,517
Current liabilities	105	8,805
Working capital	1,393	*5,288

*Excess of current liabilities over current assets.

News Concentrates

Ackerman Gold Mines will put out a series of drill holes from the 150-ft. level when the shaft is completed to that level, if the recommendations of J. W. Shaw, who examined this Hastings county property, are carried out. Surface sampling on the main vein indicated an ore shoot of fair value and good width for about 177 ft., 27 ft. of which is low grade. Remaining 150 ft. is of good grade. Shaft, now down over 110 ft., disclosed good grade ore in the first 40 ft., and in the next 30 ft. ore of slightly lower grade is expected, although complete assay returns have not been received for the rest of the shaft.

* * *

Agawa Mines is the new company formed to succeed L. B. United Mines, reorganization of which is in progress. Shareholders of L. B. United will receive one new share for three old shares held. To acquire the outstanding bonds of the old company a new bond issue will be created. Bondholders will suspend their rights for two years, the unsecured creditors having consented to a postponement of payment for six months in order that the new company may establish itself.

* * *

Augite Porcupine now holds a block of six claims, or 190 acres, between Buffalo-Ankerite and Delnite, in Porcupine district of Ontario, through lease of two claims in Deloro Twp. from Montreal International Silver Mines. Having taken an option on a 99-year lease of these claims, Augite will start diamond drilling at once to determine site of a shaft. A vein 16 ft. wide, carrying average values of $9.32, was disclosed by drilling on the eastern claim, adjoining Buffalo-Ankerite.

* * *

Buffalo Ankerite Gold reports approximate production for November at $245,300, as compared with final figures for October of $254,967. Mill handled average 977 tons daily in November, treating 29,307 tons, average grade being $8.37 per ton. Approximate total production to date is $2,533,841 from treatment of 312,579 tons.

* * *

Devon Gold Mines has so far drifted for 83 ft. on No. 11 vein at the property in Coulson and Beattie Twps., Painkiller Lake area. H. Reinecke, mine manager, reports that channel samples cut across 6 in. sections on the 300-ft. level returned $4.90, $39.90 and $55.30 per ton. On the 550 ft. level, crosscut to the north has advanced some 97 ft. from the station. Crosscut on the 425-ft. level is out about 25 ft.

* * *

Goldbanks Mines is advised by M. T. Barney, consultant, that 5,000 ft. of diamond drilling has given interesting values over the east-west strike of 1,700 ft. Several holes will be sunk to check at depth the encouraging values received from shallow holes. No. 14 hole cut a 5½-ft. vein about 300 ft. north of the south break, on which the bulk of drilling has been done.

* * *

Hard Rock Gold should begin milling at 150 tons daily by the first week of January next, according to T. H. Rea, president, who told shareholders at the annual meeting that the company has about $430,000 cash on hand. Of this, some $200,000 will remain by the time the mill starts, covering development for at least two months, after which mill returns will be coming in.

* * *

Kirkland Gateway Gold holding two groups at Swastika and Elsie Lake, Kirkland Lake area, has secured funds for diamond drilling and development of its property. If agreement is completed, company will have about 150,000 shares in its treasury. Shareholders have approved increase in capital from 3,000,000 to 4,000,000 shares.

* * *

Pioneer Gold of B. C. estimates November production at $174,000, with expenses set at $79,000 before deducting depreciation, taxes and depletion.

* * *

Sigma Mines—November production for this Dome subsidiary amounted to $125,285 from 15,134 tons milled, for an average recovery per ton of $8.28 per ton. This is the highest monthly production since the mill started in March, and compares with $124,928 in October.

* * *

Upper Seine Gold Mines has completed three holes in diamond drilling at its property in Kenora district and the fourth is down 70 ft. on the "Reef structure," reports W. N. McClintock, resident engineer. Assays will be available as soon as it is possible to transport cores over the winter roads. Drilling completed has shown wide sections of mineralized material, with shearing conditions characteristic of the formerly explored sections of the Hammond Reef mine, where a 40-stamp mill operated in 1897. Underground development at Upper Seine's Sawbill workings will start as soon as the mine is dewatered.

* * *

Algold Mines treated 1,400 tons of ore in the latter half of October, mint return on the brick shipped amounting to $8,518. Mill heads were $7.91. Changes in flow sheet are expected to improve recovery and reduce the loss in tailings, which should be reflected in December production figures and recovery. Preparations for mining the mid-west ore body are well advanced.

* * *

Ypres Cadillac Gold reports that No. 2 diamond drill hole, sunk on the optioned O'Neill group of claims in Baden Twp., cut two interesting sections, first of which, encountered 58 ft. 10 in. down, ran $17.50 over 12 in. Including the 12 in. section, 5-ft. length average $5.40. Another section ran $11.90 across 19 in., 21 in. returned value of $7 and a 12-ft. section ran $5.60. No. 1 hole cut a 12-in. section returning $10.50. In this hole, continuous ore length of 3 ft. 7 in. averaged $3.71.

Mining Options

Straw Lake Beach Gold Mines—Dec. 7 installment covering 25,000 shares at 20 cents per share, under agreement Oct. 7, anticipated. Balance covers 25,000 shares at 20 cents, payable by Jan. 7, 1938, and option on 700,000 shares at prices from 20 to 45 cents in monthly installments beginning Feb. 7, 1938. Issued capital now 2,254,999 shares.

Eldorado Gold Mines—Dec. 1, installment paid covering 23,000 shares at $2.40. Balance covers 25,000 shares at $2.40 and 44,440 shares at $2.50, with next installment due Mar. 1. Total issued capital 3,760,560 of an authorized 4,000,000 shares.

Powell Rouyn Gold Mines—Has received payment for Nov. 15 installment covering 20,000 shares at $1.25 per share under agreement Sept. 17 last. Of authorized 1,500,000 shares 1,232,764 are issued.

Thompson Cadillac Mining Corp. — Reports that 50,000 shares of capital stock have been subscribed for and issued at 30 cents. Under terms of option agreement 7,000 shares at 50 cents per share have been taken up. Latter block forms a part of the 50,000 shares at 50 cents due to be taken up on or before Dec. 1, 1937. Remaining under option are 343,000 shares, there being 3,355,000 shares issued and outstanding.

St. Anthony Gold Mines—Is offering one million shares at 25 cents to shareholders of record Dec. 15, on basis of one new share for four. Rights expire Dec. 30. By agreement Nov. 25, 10,000 shares are underwritten at 25 cents, payable 30 days after rights expire, and option is granted on 990,000 shares at 25 cents. Option exercisable by purchase of 40,000 shares in each 30-day period following completion of underwriting until Nov. 20, 1938, when entire balance must be exercised. Number of shares covered by agreement is to be reduced by such number as shall be taken up by shareholders under subscription rights.

Option on 350,000 shares at 20 cents and 250,000 at 25 cents to Dec. 31, 1937, under agreement Dec. 30, 1936, has been extended until Dec. 31, 1938.

Mining Dividends

	Rate	Close Dec. 6	Yield %
Anglo-Huronian	20c	3.50	...
Beattie Gold	5c	1.30	...
Bralorne	40c+35c	8.00	*9.3
Buff. Ankerite	50c+22½c	12.37	*5.8
Bulolo Gold	$3	25.75	11.6
Can. Malartic	†5c	1.03	...
Cariboo	10c+1½c	1.62	*7.1
Central Patricia	12c	2.55	4.7
Coniagas	12½c	2.00	6.2
Coniaurum	10c	1.55	*6.4
Cons. Smelters	$1+$2.50	56.25	*6.2
Dome Mines	$4	50.75	7.9
Falconbridge	30c	5.45	5.5
Gunnar Gold	†3c	.80	...
Hollinger	65c+35c	12.87	*7.7
Howey Gold	4c	.28½	...
Hudson Bay	$1.75	22.00	7.9
Inter. Mining	90c	8.00	11.2
Inter. Nickel, com.	$2+25c	43.00	*5.2
Island Mountain	5c	.64	...
Kerr Lake	5c	.40	...
Kirk. Lake	9c	1.27	...
Lake Shore	$4+$2	49.50	*12.1
Lava Cap. M.	15c	.95	...
Little Long Lac	40c	5.00	8
Macassa	20c	4.90	4.1
McIntyre	$2	37.00	5.4
McKenzie Red Lake	9c	.98	9.2
McKinley Sec.	5c+2½c	.50	...
Noranda	$3.25	50.00	6.5
Nor. Can. Mining	6c	.64	9.4
Nipissing	37c	2.00	...
Placer Develop	$1.20	14.00	...
Premier	12c+4c	1.97	*8.1
Pioneer, B.C.	40c	3.05	13.1
Pickle Crow	40c	5.35	7.5
Reno	12c	.65	...
San Antonio	14c	1.40	10
Sheep Creek	8c+2c	.91	*10.9
Siscoe	20c+2c	3.50	*6.3
Sudbury Basin	10c	3.10	3.2
Sullivan Cons.	5c	1.02	4.9
Teck-Hughes	40c+10c	5.20	*9.6
Toburn	8c+1c	2.30	*3.9
Ventures	25c	5.90	...
Wright-Harg.	40c+30c	7.50	*9.3
Yankee Girl	1c	.23	...

‡Interim. †Initial.
*Yield includes bonus.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

C. N. to Complete Vancouver Hotel

From Our Own Correspondent

MONTREAL. — Canadian National Railways Hotel at Vancouver, under construction since 1926, will be opened in 1939, according to a statement made by Defense Minister Ian Mackenzie, following word received from Honorable C. D. Howe, Federal minister of transport.

The Transport Minister says the 16-floor structure would definitely be opened within two years. Completion of interior work on the massive grey stone and concrete building will be started almost immediately.

Approximate cost of the completed hotel has been set at $9 millions or less.

Crow's Nest Pass Coal To Pay $1.50 on Common

An interim dividend of $1.50 has been declared by Crow's Nest Pass Coal Co., payable Dec. 28 to shareholders of record Dec. 11. Total payments for the year are $4.50, compared with $7 in 1936 and $6 in 1935.

Moffatt-Hall Property Will Get New Chance

Moffat-Hall Mining Co.'s property adjoining Bidgood Kirkland in the east Kirkland Lake Camp will get another chance, with the announcement that the management plans to drill to shallow depths three showings indicated by surface work during the past summer.

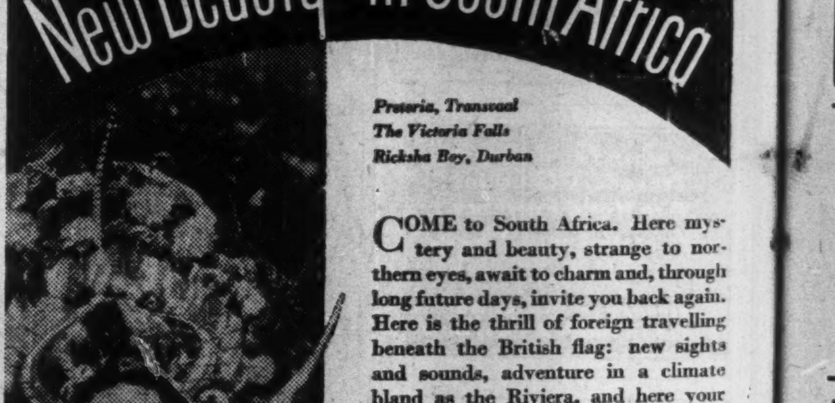
This property has been idle for nearly a year while the management watched developments at Bidgood. The company is understood to have at present about $50,000 in cash and securities, and 1,150,000 shares in the treasury. Authorized capitalization is five million shares.

Gurney Output $16,300 For Last Half November

From Our Own Correspondent

WINNIPEG. — Production from Gurney Gold for the last two weeks in November was $16,300, according to C. B. Dawson, the company's consulting engineer. Ore was taken two thirds from the dump and one third from the mine. Some trouble was experienced in the primary crusher, requiring new parts to be rushed to the mine, and this curtailed tonnage put through the mill for three or four days.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp



Pretoria, Transvaal
The Victoria Falls
Ricksha Boy, Durban

COME to South Africa. Here mystery and beauty, strange to northern eyes, await to charm and, through long future days, invite you back again. Here is the thrill of foreign travelling beneath the British flag: new sights and sounds, adventure in a climate bland as the Riviera, and here your hosts are people famous for their hospitality.

Golf, tennis, fishing—sports of every kind are here at your command. Beauty proclaims itself in floral wealth, in mighty water falls or mountain majesty; and Mystery's voice is heard in the Zimbabwe Ruins, relic of the past, in native customs, or deep in the vastness of the Cango Limestone Caves—Industry's strong arm at Kimberley, along the famous Rand, and modern comforts in the teeming towns. At Durban you may bathe in sparkling surf; at Capetown know the gay diversions of a modern city, or you may find new civic beauty midst Pretoria's parks and gardens. Here in South Africa the perfect holiday invites your glad acceptance.

Yet a vacation in South Africa is not expensive. Your travel agent will explain how easily it can be accomplished and gladly help you plan a tour to cherish long in memory.

THRILLS OF THE PRIMITIVE IN CIVILIZED COMFORT

WE LOOK INTO THE EARTH

The World Is Our Field!

The contract diamond drilling activities of Boyles Bros. are world-wide. Our crews drilled over 600,000 lineal feet on contract for Canadian mining companies in the past 12 months. We have equipment and crews ready to go anywhere on short notice.

Manufacturers of the most adaptable Diamond Drills for any size programme.

BOYLES BROS. DRILLING CO. LTD.
Head Office and Plant: Clarke Dr. and Parker St., Vancouver, B.C.
Subsidiary Companies
Boyles Bros. Drilling (Eastern) Ltd. Port Arthur, Ont.
B.B. Philippine Drilling Company Manila, P. I.

Holding Companies and Mining

What Is the Future of Canadian Move Toward the Diversification of Risks?

This is the first of two articles on Canadian holding, exploration, development, and financing companies, whose stock is available for the investor and speculator. The first article deals with the general pros and cons of such concerns, and with three of the leading companies in this field. Next week, it is planned to examine some of the other holding concerns active in Canadian mining.

* * *

By WILFRID SANDERS
Mining Editor, The Financial Post

What is the mining speculator to do?

He knows, and perhaps has been told, that putting his money into a raw prospect in Canada's north is a very risky business. He also knows, and certainly has been told, that most of the big profits made in mining have been made by "getting in on the ground floor" and waiting until he finds himself on a bed of roses in the attic. The fact that more often he finds himself in the cold dank cellar does not lessen the lure of the attic.

Obviously, the more ground floors he "gets into," the greater are his chances of success. In other words, the greater number of raw prospects his speculative dollar can be made to cover, the greater chance he has of becoming a shareholder in a dividend paying mine. This, in a nutshell, is the chief argument for the exploration and holding company, and is known in financial circles as diversification of risk.

The large scale exploration company has not in the past been much of a factor in Canadian mining. There are, however, those who believe that as mining exploration pushes farther north, the obstacles becoming bigger and bigger, the job becomes increasingly one for the big time operator. A $35,000 mining syndicate, for instance, might be very effective in northern Ontario or Quebec in carrying out initial exploration work, but it would soon run through its capital if it set out to develop a property in the Northwest Territories. For this reason some predict the demise of the wild market speculation when new mining camps are opened in the future.

Growth of Holding Groups

In view of this fact, and despite their unsensational records in the past, there is much to be said for the exploration and holding company. The British mining speculator, who is generally rated as a fairly shrewd man, looks with favor on such an organization, which accounts for their prevalence in South African mining and elsewhere throughout the English-financed world. Canadian mining men have said that the best way to interest British capital in Canadian mining is through such companies, rather than through the sale of stock in individual, one-property mines.

It is a difficult job to define a development, exploration, or holding company, so many and varied are the different types. The type which is looked upon with greatest favor by overseas investors appears to be the company, more or less private, which develops a property through the very risky initial stage, by the expenditure of anywhere up to $100,000, and after demonstrating that the property has a chance, then, and not until then, invites the public to finance final development and equip the property for production. Such a company is the highly successful Consolidated Goldfields of South Africa.

Opposition to such an arrangement is generally directed along two lines. First, it is argued, if such a set-up becomes the basic trend in mining, it would discourage private and personal initiative in exploration and development, and secondly, the generous profits which sometimes accrue by buying units in an undeveloped prospect, would be lost to the public and would flow to the monopolistic semi-private concerns. These are admittedly debatable points, but it is apparent that much of the so-called private initiative in exploration and development has been misdirected, and the public's money spent on properties which would be turned down by the experienced operator.

To the second point, a good case could be made out for the view that the exorbitant personal fortunes which have in the past been made in mining by the public are not in the best interests of the industry as a whole, as they certainly do not lead to stability. In any event, there is no reason why the development company, under the suggested method should be private, or even semi-private. Shares in such companies are available and while they do not lend themselves to the enormous capital appreciation possible in the case of single one-property mines, give the shareholder a diversity of risk, and a sounder basic source of income.

From the point of view of the mining industry itself, perhaps one of the most valid objections to the big-time operator is that such concerns are usually looking for a large scale subsidiary. If the property on which they have an option indicates that it would be a small profitable producer only, the tendency is to drop their options, thereby giving the property a black-eye, and making it difficult for the owners to raise capital from the public.

Every Variety in Canada

The whole point seems to hinge on whether one considers the financing of a raw prospect should be a job for the general public, or for the skilled operator or group. Canada has every variety of holding and exploration company, from the small concern which has inherited a few shares in one or more subsidiaries, to the big concern which specializes in exploration for and development of mines. These articles are confined to those concerns which tend toward the latter group. The financing of subsidiary mines by already established producers, such as Teck-Hughes's Lamaque, Dome's Sigma, Noranda's Pamour, is an important factor in present day mining, but is hardly within the scope of this discussion.

Exploration Companies

Mining Corp.

Comparatively popular with the English investor, because it falls more in line with what the Englishman is used to, is the stock of Mining Corporation of Canada, listed on the London Exchange. Its board of directors has a strong English flavor, although its executives are Canadians.

Mining Corp. had its birth in the late Cobalt silver camp. Death, as it must to all mining camps, came to Cobalt, but not to this company, which branched out into its present triple form as exploration, holding, and developing company.

Today, Mining Corp. maintains prospecting parties in various parts of Canada, forming subsidiaries to take over those properties which have responded well to development.

It is a commentary on the hazards of mine-making in Canada that despite over 20 years of existence in its present form, Mining Corp. has today as controlled subsidiaries only two producing properties, Laguna Gold Mines, in Manitoba, and Normetal Mining Corp in Quebec. Both these properties have been brought to production since Aug., 1936. The fact that Mining Corp. was last year able to show earnings of nearly 14 cents per share, as against two cents per share the previous year, speaks well for the investment end of the company's operations.

In addition to the two subsidiary producers above, Mining Corp. has, of course, substantial investments in other dividend paying properties, outstanding example being its holdings in Hudson Bay Mining & Smelting Co., which at Aug. 15 last had a market value of over $2 millions. Other mines in its portfolio include Kerr-Addison, the young Larder Lake, Ont., near-producer, in which at last report it held approximately 162,000 shares. Mining Corp. also controls Quemont Mining Corp., a copper-gold prospect in the Rouyn area of Quebec. It has also an interest in Bidgood-Kirkland Gold Mines.

Big Stake in N.W.T

In recent months there has been evidence that Mining Corp. is planning a large scale exploratory attack in the North West Territories. In 1936 the company discovered gold in encouraging formation at Gordon Lake, N.W.T., and now has a 65% interest in 140 claims there. This property is now to be developed underground, after diamond drilling on one vein indicated an oreshoot 250 feet long, averaging 1.45 ounces per ton, uncut across six feet. This year, it is understood, more extensive exploration of the Territories is planned through Mining Corp.'s recently organized subsidiary, Territories Exploration Ltd.

The corporation's other interests are largely of potential value only. The future of the subsidiary, Base Metals Mining Corp. reopened for development last April, hands on the future of lead and zinc. Ashley Gold Mining Corp. appears virtually to have abandoned its former producing property, and is looking for another property.

The market action of Mining Corp. has been fairly steady since 1923, compared with the ups and downs which the market generally has seen in that period.

To sum up, the corporation is broadening its interests, and while profit from investments at present forms the major part of its income, the future of Mining Corp. is not as an investment company alone. Capitalization is two million no par value shares, of which about 1,754,000 are outstanding.

Ventures Ltd.

Most financial men still remember the scramble in Feb., 1929, when Ventures Ltd. first offered to the general public stock at $8 per share. The year before, a select private offering of 300,000 shares at 60 cents per share, had been made. Shortly after the 1929 offering was made, stock in this concern reached a high of $14.85, reacting to a low in the same year of $2.25, and a year later to 30 cents.

Ventures Ltd., which was first incorporated in 1928 as Adventures Ltd., is a promotion, holding, investment, trading, exploration, and development project which acts as the key company for the various Lindsley enterprises.

The main investments now held by the company are Falconbridge Nickel Mines, Beattie Gold Mines, Canadian Malartic Gold Mines, Matachewan Consolidated, Sudbury Basin Mines, and Coniaurum Mines. Among the more recent participations of this versatile company include Kiena Gold Mines, Wisik Gold Mines, Kewagama Gold Mines, La Luz and Los Angeles Mining Co. (owning property in Nicaragua), Kerr-Addison Gold Mines, Pascalis Gold Mines, Fernland Gold Mines, and others.

The key factor in Ventures is diversity. In May of this year, consolidation on the basis of one share for five resulted in bringing shares outstanding more in line with the assets of the company. Present capitalization is two million no par value shares, of which some 1,573,951 are outstanding.

Increasing Profits

While Ventures earnings were at first slow in coming in, they have in the past three years, due partly to trading profits, increased from two cents per share on the old capital structure in 1934, to 12 cents in 1936. They have still, however, not justified the high, speculative hopes of those who, in the frenzy of 1929, carried the market valuation of this company to the dizzy heights of $100 millions, more than twice the valuation of Hollinger or Lake Shore in that year.

Ventures has been more aggressive and liberal in its exploration policy than any other Canadian mining company, and has wisely placed the technical direction of its efforts in capable hands. Despite this policy, it only now appears to be on the threshold of "cashing in" on its outlay. This year, its dividend income, formerly confined to Falconbridge, Beattie, and McWatters dividends, will be augmented by dividends from its investments in Canadian Malartic, Coniaurum, Sudbury Basin, and Sullivan Consolidated.

Working capital of the company, taking investments at their market value of Dec. 31, 1936, amounted to over $4.5 millions at the end of last year, as against approximately $2.8 millions the previous year.

Anglo-Huronian Ltd.

Falling into the "holding and operating" group, Anglo-Huronian Ltd. has in its four years of existence, rapidly built itself up as an important factor in Canadian mining. The present company is the result of a merger of Huronian Mining & Finance Co., Vipond Consolidated, and The Keeley Silver Mines.

Since the original merger, Anglo-Huronian has broadened its scope, and its holdings are now widespread. These now include shares in Read-Authier Mines, through which the company has an interest in Lamaque Gold Mines, and Sigma Gold Mines. In addition, Anglo-Huronian holds an interest in Castle Trethewey Mines, giving it an indirect interest in Omega Gold Mines, and an important share interest in Kerr-Addison Gold Mines. Through its shareholdings in Prospectors Airways, Anglo-Huronian is interested in prospecting for new properties.

Like so many Canadian companies of this type, however, bulk of Anglo-Huronian's income has been from profit on the sale of investments, rather than from dividends from subsidiaries. While this, of course, reflects credit on the market ability of directors, this is not considered the ultimate destiny of the company, as the management has frequently explained. President of Anglo-Huronian, André Dorfman, pointed out at the last annual meeting, in connection with Anglo-Huronian's reduced dividend, that profits from the sale of investments are of a non-recurring nature. Accordingly, the management preferred to reduce the dividend, and conserve funds, so that the company may continue to be in a position to finance new prospects.

Company's Position

These funds are considerable, and taking securities at their market price, working capital of Anglo-Huronian at the end of its fiscal year, July 31, 1937, amounted to $7,939,882. Taking securities at cost, this figure would stand at $7,069,492, as against $5,698,955 at the end of the previous fiscal year.

Anglo-Huronian is capitalized at two million shares, of which 1.5 millions was outstanding at the end of July last. The company started paying dividends in 1935, and paid 40 cents out of 1934 profits, in that year, 40 cents in 1936 and 40 cents in 1937. This dividend was reduced with the declaration of 10 cents per share payable Jan. 1, 1938, for the reasons explained above.

This company has been increasingly active in its new participations in recent months. In conjunction with Howey gold, it has options on control of Giant Yellowknife Gold Mines and the Vicmac group in the same North West Territories area, thus giving it a stake in what promises to be an important era for this section of Canada. Anglo-Huronian holds a large vendor interest in Ridgely Mining Co., which is diamond drilling its holdings adjoining Coniaurum Mines in the Porcupine area of Ontario. Recently Anglo-Huronian sold its Vipond Mine to Mace Gold Mines, which is being financed by McIntyre Porcupine.

Like Mining Corp., stock of Anglo-Huronian is known in London, and enjoys trading privileges of the London Stock Exchange. Lehman Corp., and Lehman Bros. of New York, have acquired a substantial block of stock in this company, as has Consolidated Gold Fields of South Africa. These participations give the company an international flavor, and the tremendous advantage of international contacts and guidance in plotting its investment policy.

OPENS OFFICE

Richard H. B. Hector, C.A., member of the Institute of Chartered Accountants and the Institute of England and Wales, who will open his own office in the Confederation Life Building, Toronto.

Wood Cutter Finds Lithium

Discovery Near Manitoba Highway Will Be Explored

From Our Own Correspondent

WINNIPEG. — A discovery of lithium ore, which has the appearance of being important, is reported by Roy Pickard and Louis DeKock, and plans are now in preparation for its exploitation. The discovery lies within a quarter of a mile of the Dawson Road-Falcon Lake highway.

In addition to lying close to a highway the deposit is also within a mile and a half of a siding on the line of the Greater Winnipeg Water District railway.

The discovery was made accidentally. DeKock had a contract cutting cordwood in the vicinity and noticed an outcrop of rock which he thought had the appearance of being mineralized. He got Pickard, an authority on lithium ore, to go and investigate and from a very small exposure of spodumene a very considerable deposit was found.

So far it has been traced for 220 feet and has a width of 60 feet, with 24 feet of practically solid spodumene. Experiments are now being conducted in an effort to remove the impurities from the spodumene by a simple process so that only the lithium ore would be shipped.

Lithium, a metallic element of the alkali group, is the lightest known solid, silvery-white in its pure state.

Its compounds color a flame bright red and are used to some extent in pyrotechnics. It is also alloyed with aluminum and lead, for hardness, and with beryllium to form a very light alloy. Its salts are also used in storage cells and in certain medicines.

B. C. Nickel Affairs Aired In the House

Syndicate Claims Figure in Prospectus Was Unauthorized

From Our Own Correspondent

VANCOUVER. — Affairs of B.C. Nickel have been ventilated in the Legislature as a result of the demand by Col. Victor Spencer, president of the company, for an investigation of the charges made in the house recently by Dr. Lyle Telford, C.C.F., that "B.C. Nickel would bear watching" and that "another Hedley Amalgamated scandal" was threatened.

Dr. Telford said that he did not wish to reflect on the mine itself, which he regarded as one of the three important nickel prospects in Canada. He quoted from a prospectus saying that $2 millions would be made available for development of the mine by the syndicate composed of Col. Spencer, Ben Smith of New York, and C. D. Kaeding of Toronto, who replaced the late David Sloan. Instead of the $2 millions, Dr. Telford said that only $687,000 was available and that from sale of stock.

Squeezing Charged

Dr. Telford suggested that the syndicate realized it had a rich property and wished to squeeze the small shareholders out. He felt that the syndicate should have gone ahead with the original agreement.

Speaking for the syndicate, Wendell B. Farris, K.C., denied the figure of $2 millions in the prospectus quoted, saying it was not authorized. At the time the agreement was made, the company was out of funds, said Mr. Farris. By the agreement of Oct. 13, 1933, Spencer, Sloan and Smith agreed to advance $175,000 cash. The company had a share capital of three million and this was doubled, the syndicate taking 4,250,000 shares. Under this plan the syndicate agreed to provide sufficient funds for a 4,000-foot tunnel and, if sufficient ore was found, to construct a 1,000-ton mill. However, this year it was felt that only a 200-ton concentrator would be justified, and refinery patents held elsewhere were another obstacle.

The syndicate decided to put the matter to the minority shareholders, and Mr. Farris. The mine would have to be refinanced and the syndicate could put in no more money. The syndicate agreed, however, to wipe out all indebtedness, although $1,389,000 was owing to them, and take instead 600,000 shares at $1 a share, as well as underwrite an additional 100,000 shares at $1.50. The market price was then 25 to 28 cents. Today it is about eight cents.

It was brought out that Col. Spencer had personally invested $215,000 in B.C. Nickel.

Siscoe Gold Mines Output Ahead of 1936

From Our Own Correspondent

MONTREAL.—Siscoe Gold Mines monthly report to the Montreal Curb Market shows November production at $220,141. This compares with $221,839 in October and $203,493 in November, 1936.

Mill heads averaged $12.70 a ton last month, as against $12.57 in October, and $12.66 in November, 1936.

Stadacona-Rouyn Mines Steps Up Production

From Our Own Correspondent

MONTREAL.—Stadacona Rouyn Mines reports production in October and November at $92,791, bringing total recovery from commencement of drilling on Dec. 4, 1936, to $475,995.

Average recovery for October and November works out at $46,385, compared with a monthly average of $39,919 since the beginning of production.

December output is expected to exceed $50,000 which would bring the total production to over $525,000 by the end of the year.

West Shiningtree District Scene of Renewed Activity

From Our Own Correspondent

SUDBURY.—The West Shiningtree area, which during the last quarter of a century has witnessed many starts and stoppages, is again the scene of mining activity. Ronda Gold Mines is engaged in deepening its shaft, and directors of Bilmac Gold Mines, the property adjoining, are reported to be giving consideration to a 125-ton mill.

The new three-compartment internal shaft at the Ronda at last report had reached a depth of 525 feet on its way to 550. A station has been cut at the 425-foot level and a second level will be established at 550 feet. A crosscut run a distance of about 40 feet from the shaft is reported to have intersected the vein showing between four and five feet of ore carrying good values.

Funds From Britain

Ronda is stated to have received its first installment of the new funds ($25,000) subscribed by British interests for development of the property. An energetic programme of exploration of the two new levels is planned.

Following extensive drifting and crosscutting on the 170-foot and 410-foot levels at the Bilmac, directors have been considering purchase of a mill, and it is understood a plant of 125 tons capacity from an idle property has been secured. Financing has been arranged through sale of production warrants to shareholders.

Other properties in the West Shiningtree section which have been worked but which are now idle awaiting further financing, are the Shinintree Gold Mines, Lave Caswell and the Churchill Mining and Milling Co.

NORTHERN CANADA MINING CORPORATION LIMITED
New mines financed, managed and developed to production.
44 Victoria Street, Toronto, Can.

Canadian Pacific Express Travellers Cheques Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

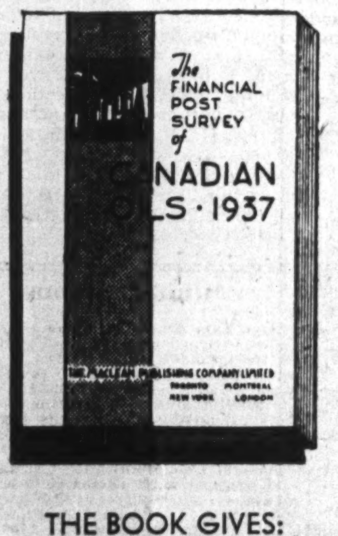
We Manufacture Envelopes for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

TOOLE, PEET & CO. LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

Investors' Chronicle
6d. Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post card application to:
THE PUBLISHER, INVESTORS' CHRONICLE, 20, BISHOPSGATE, LONDON, E.C. 2, ENG.

LAKE SULPHITE PULP COMPANY LIMITED
Manufacturers of high-grade bleached sulphite pulp and rayon pulp.
Plant at Red Rock, Ontario on Nipigon Bay, Lake Superior, scheduled to begin production about March 25th next.
225 TONS DAILY

OILS Active Again . . .



. . . and much information of value to investors, geologists, company officials and others is to be found in the 1937 edition of
The Financial Post Survey of CANADIAN OILS WITH SUPPLEMENT
The SURVEY covers all oil fields in the Dominion, giving data respecting properties, contracts, royalties. Maps are included. The SUPPLEMENT provides information regarding companies and developments not available when the Survey was published.

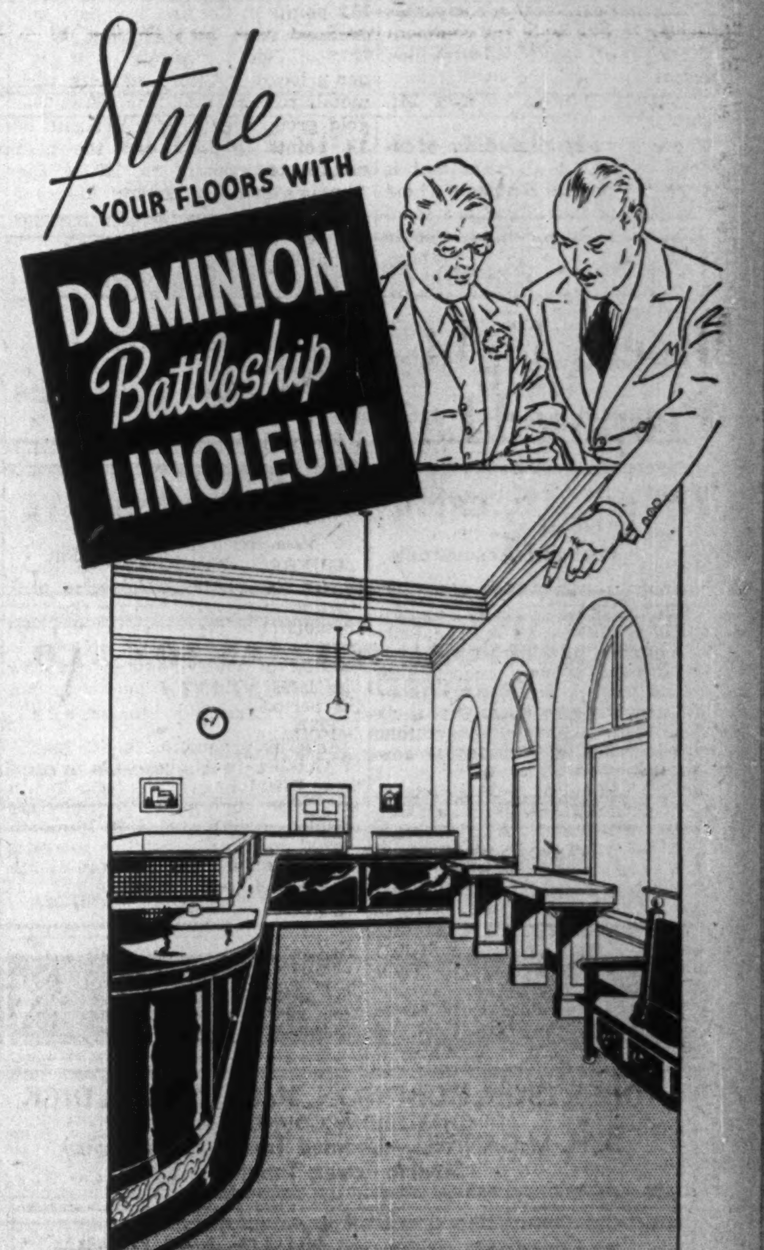
THE BOOK GIVES:
Reviews of Canadian Oil and Gas Companies
List of Dead and Dormant Companies
Oil Production Statistics
Natural Gas Production Statistics
Imports and Exports of Petroleum
Facts About Well Drilling in Western Canada
Price Range of Canadian Oil and Gas Stocks
Commission Rates on Stock Exchanges
Explanation of Terms Used in Oil Industry
Maps of Oil and Gas Fields in Alberta, Turner Valley, Ontario

If you have not already obtained your copy of this useful reference book and supplement, send in your order now. The supply is limited. Size of book: 6" x 9", 160 Pages. Price per copy, postpaid, together with Supplement, $1.

USE THE COUPON
THE FINANCIAL POST,
481 University Avenue,
Toronto, Canada.
Send postpaid..........copies of The Financial Post SURVEY OF CANADIAN OILS—1937, with Supplement.
Herewith $.................in payment.
NAME ....
ADDRESS 865

HERBERT TAREYTON SMOKING MIXTURE
PACKAGES 25¢ · HALF LB. TINS $1.50
T-57

FLY to RED LAKE
JACKSON MANION · ARGOSY · UCHI · PICKLE LAKE · GOLD PINES · SIOUX LOOKOUT
from WINNIPEG · KENORA · HUDSON
with STARRATT AIRWAYS
A complete passenger and freight service to the mining districts of Red Lake, Woman Lake, Uchi Lake and Pickle Lake—maintained by regular flights of modern aircraft—equipped for speed and comfort.
STARRATT AIRWAYS and TRANSPORTATION LTD.
Head Office, Hudson, Ont. Branch Office, Winnipeg



CUSTOM-BUILT
to your own specifications . . .
Floors to meet any taste or the particular requirements of any business are readily evolved from Dominion Battleship Linoleum. No less than 21 colours and effects, including Jaspés and Marbles, are available, to be cut into tiles of any shape or size, or into a wide variety of borders or interlining strips. Any flooring contractor, or large departmental store, will give you an estimate on this permanent, easily-cleaned floor that never needs costly refinishing. Ask also about our 5-year guarantee.
DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL

HOW MUCH OF YOUR OVERHEAD IS *UNDERFOOT?*

A Voice from the Maritimes

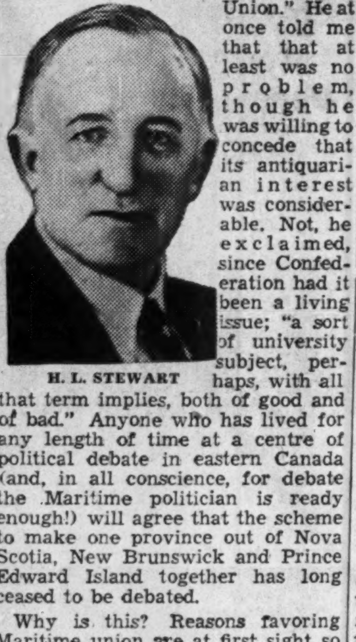
About "Maritime Union"

Obvious Reasons For Easterly Union Firmly Rejected

With a merger of the prairie provinces in the interests of economy and efficiency being urged before the Rowell commission, this study of the long proposed Maritimes union by Dr. Herbert L. Stewart, is particularly timely. Dr. Stewart, nationally known CBC commentator on public affairs and editor of the Dalhousie Review, advances reasons why a second maritime confederation has not been accomplished.

By HERBERT L. STEWART

The other day, in conversation with one of the keenest students of constitutional problems in Canada, I chanced to mention "Maritime Union." He at once told me that that at least was no problem, though he was willing to concede that its antiquarian interest was considerable. Not, he exclaimed, since Confederation had it been a living issue; "a sort of university subject, perhaps, with all that term implies, both of good and of bad." Anyone who has lived for any length of time at a centre of political debate in eastern Canada (and, in all conscience, for debate the Maritime politician is ready enough!) will agree that the scheme to make one province out of Nova Scotia, New Brunswick and Prince Edward Island together has long ceased to be debated.



H. L. STEWART

Why is this? Reasons favoring Maritime union are at first sight so obvious! The combined populations of the three provinces do not much exceed one million in number—about the estimate for Greater Montreal. Their combined areas amount to very much less than the area of Ontario or Quebec. Two of them are contiguous, with the third separated by only a narrow strip of sea. The homogeneity of population has been emphasized times without number (especially in collective contest with other parts of the Dominion) by proud reference to the achievements of "the Maritime mind."

For what reason, then, do those with such limited areas and populations, but sharing an unusual aptitude for public affairs, continue to maintain three official representatives of the King, each with his Court at his own Government House; three parliaments, three cabinets, three sets of civil servants, and all else that has to be trebled in the same system? Surely there is here an obvious chance to economize.

* * *

Partners in Hardship

I might make the argument for such joint economizing still stronger by pointing out how these provinces have the peculiar bond of those who feel that they are partners in hardship. The "Maritime Rights" movement of 10 years ago set forth how much they had together sacrificed, and how little they had been repaid, for the enthusiasm of 1867. Whether that contention of "unfulfilled Confederation promises" be good or bad is not here important; my point is that this is fiercely emphasized in each of the three eastern provinces and that one would expect such a common grievance to be a bond of sympathy.

Nor has the "grievance" yet ceased to find ever fresh illustration. The apple-growers of the Annapolis Valley in Nova Scotia, and the lumbermen of the New Brunswick forests, at this hour confront the threat that, for some purpose of an Anglo-American pact, they are to lose the preference on Canadian timber and Canadian apples which alone, since 1932, has saved these products of ours from being overwhelmed by Swedish or American rivalry in the British market. So having together lost in 1867 and to some extent having together regained in 1932, we may well have to illustrate the partnership of fate by losing together again.

A news item of a week ago in the Halifax press needs no comment: it is the item telling how a cargo of 2,000 tons of Scottish soft coal had just arrived by a Danish steamer, and encouraging the reader to await many more such cargoes soon to come. Soft coal, from Europe, to the province which includes Cape Breton Island! Last week Nova Scotians and New Brunswickers might surely exchange many a reflection about what the National Policy, developed by the Ottawa Trade Agreements and then checked by the present vague "internationalism," may yet mean for their respective provinces.

But they are not for that reason a whit more likely to favor a Maritime union by which their common interest might be promoted. Why?

* * *

No More "Confederating"

A principal deterrent is unwillingness for yet another trial in Confederation (and it is just a sort of smaller-scale Confederation that Maritime union would mean).

The reluctance of the Maritimes to make the venture of 1867 is a matter of historical record. That there is any substantial group of "secessionists" now in eastern Canada, no one would seriously suggest. But that mood of contentment is altogether compatible with a resolve not to risk one inch further the compromise of provincial autonomy.

We conceded to a central control, on representation of duty in the wider sense, much that we held precious in our local self-government; is this a reason why we should look with favorable eye on the proposal that to another central control we should now concede the remainder? The consideration of economy is pressed upon us; but a little study of the financial statement tabulating per capita costs of government in the whole Dominion will show how little reason the larger provinces have to instruct ours in economical method. The great drain upon our government revenue has long been the cost of maintaining highways, and it is obvious that from this at least the centralization suggested would bring no relief. Abatement of other kinds of costs (through the change) will appeal to the student of political science with ever increasing force as he turns to the task of calculating actual figures.

But though costs were thus considerably, or even largely, reduced, it might well turn out that more had been lost than gained on balance. We should have reduction at the same time in the motive force of provincial patriotism. Does anyone who knows the Nova Scotia spirit, the New Brunswick spirit, the Island spirit, believe that the strength and tenacity of these forces could be transferred to the service of a new synthetic creation with some such name as "the Eastern Maritime Province"? It is but a questionable advantage to any worker when, though the burdens he must carry have been lessened, there has been lessened also the vital strength with which he can carry burdens at all.

* * *

Definite Advance

Of late, in these Maritime Provinces, singly, we think we have made rather quick and definite advance. Perhaps we might have done it at a lower cost if we had done it together, but still more disputable is the question whether together we should have undertaken it at all. We are not, I trust, less affectionately disposed to one another than average territorial neighbors; but it was for Nova Scotia that Nova Scotians so planned and risked and insisted on a huge scheme of hard-surfaced roads, just as it was for "the Island" that Prince Edward Islanders have made such pavements from Borden to Charlottetown as amazes the visitor who knew that road a few years ago. Inspired by a like local patriotism New Brunswick is now pressing forward her vast expensive project of highway construction, preferring to combine an achievement of public advantage with the wholesome discipline of work rather than—as elsewhere—to combine sheer sacrifice of public funds with the progressive demoralization of idleness.

This is an attempt to indicate, especially for rationalistic outsiders, why the Maritime mind remains so cold, so "impercipient" (to use that excellent word with which Dr. J. W. Dafoe is making us familiar) when the overwhelming case for Maritime union is set forth. Sometimes we are warned of our "quixotic" provincial sentimentalism. Let us welcome the reference to that quenchless fund of humor and wisdom, reminding our critics that in "Don Quixote" may be found a warning even more apposite: not to demand better bread than can be made from wheat.

Commoil Test Gets Big Flow

Valley's Potential Output Set at 7 Millions a Year

From Our Own Correspondent

CALGARY. — Indications that Commoil well would become one of the largest crude wells in south Turner Valley was seen by oil officials when the well produced 2,441 barrels of crude during a 48-hour test—the first real test since the well was completed a few weeks ago. During the first 24 hours it produced 1,278 barrels, and in the second 24 hours 1,163 barrels.

Due to the fact the well has not been acidized, this performance is considered remarkable in that the flow is coming through six and five-eighths casing with no tubing installed and with no back pressure.

Arrangements have been made to run tubing and to give the well an acid treatment. A potential capacity will then be established, and the production will be prorated to 35% of that capacity.

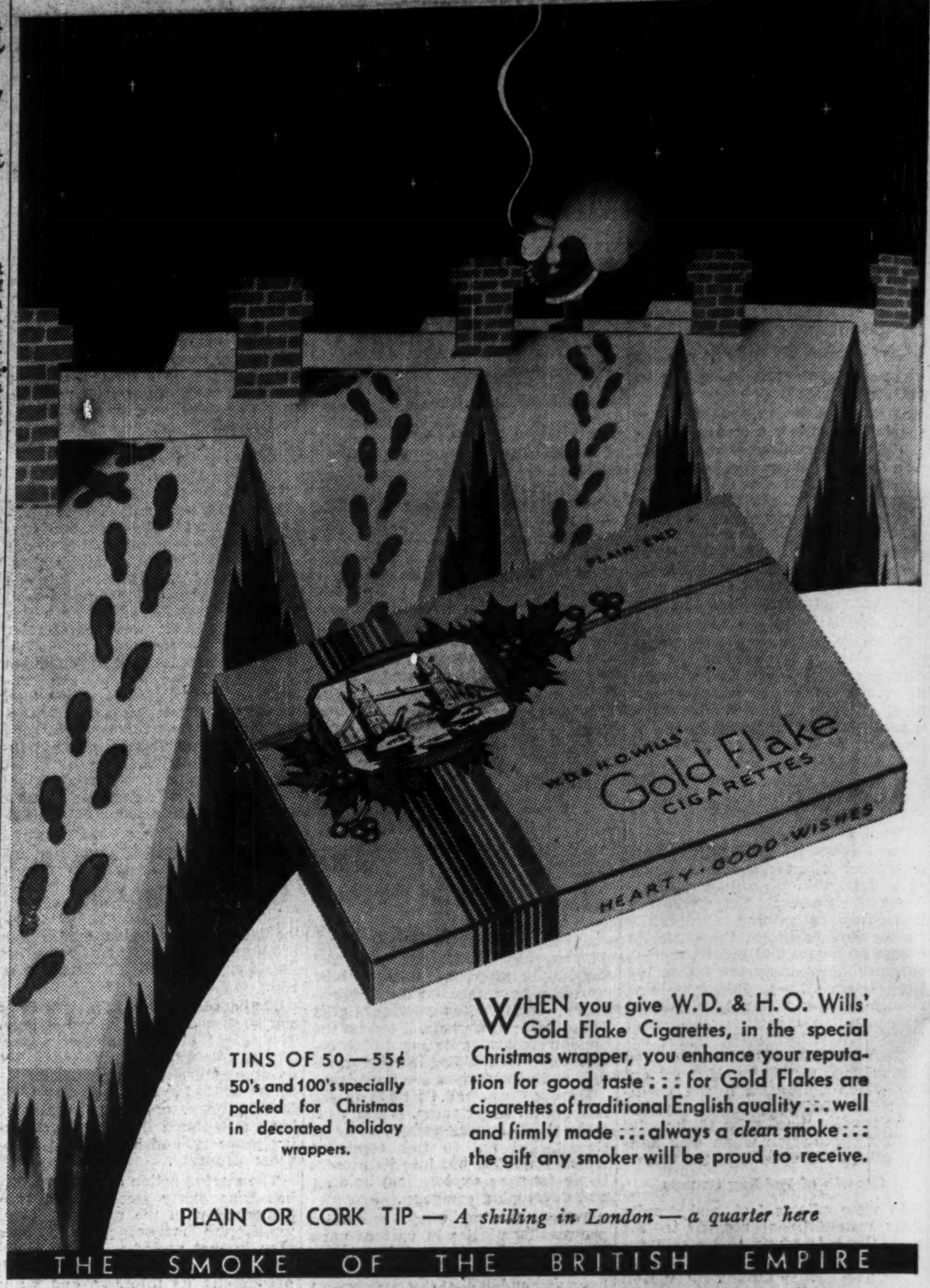
Near Discovery Well

Commoil is located west of the Granville well and west and slightly north of the Turner Valley Royalties crude discovery well. The West Flank struck the limestone at 6,429 feet. Royal Canadian is drilling at about 260 feet in the limestone. National Petroleum No. 1 is near completion in the lime. Sunset is about 52 feet in the limestone with oil showings. Richland No. 2 will soon resume drilling in the lime.

Turner Valley's present potential production of approximately 7,000,000 barrels of crude oil and naphtha a year—making the valley the third largest oil field in the British Empire — will probably be increased considerably in the next few weeks. Wells in the limestone—the producing horizon in Turner Valley— are Richland No. 2, Royal Canadian, Sunset and West Flank No. 2.

Market Valley Gasoline

Davies Petroleum No. 2, only well in Turner Valley yielding 1,000 barrels of crude oil daily under proration to 35% of capacity produced 36,594 barrels of oil in November. The yield was prorated to 45% of capacity on Nov. 1 to 35% of capacity on Nov. 15. The oil is marketed at $1.48 a barrel of 35 gallons.



Legal & Professional Directory

Victor A. Sinclair, K.C.
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
1503 Canada Permanent Bldg.
TORONTO, CANADA

Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay
Barristers, Solicitors, etc.,
WINNIPEG, CANADA

CHARTERED ACCOUNTANTS

J. P. LANGLEY & CO. TORONTO
C. P. ROBERTS, F.C.A. KIRKLAND LAKE
Chartered Accountants ONTARIO

MASECAR, DeROCHE & McMILLAN
CHARTERED ACCOUNTANTS
SASKATOON SASK.

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON, R. S. McPHERSON, Licensed Trustees
FEDERAL BUILDING TORONTO
GALT KITCHENER

RONALD, GRIGGS & CO. Winnipeg
Chartered Accountants Saskatoon

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A. HAROLD A. SHIACH, F.C.A.
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

SHARP, WOODLEY & CO.
WINNIPEG CHARTERED ACCOUNTANTS MANITOBA

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

ROBERTSON, ROBINSON, McCANNELL & DICK
CHARTERED ACCOUNTANTS
D. H. McCANNELL—Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Ottawa
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

McDONALD CURRIE & CO.
CHARTERED ACCOUNTANTS
Montreal Toronto Quebec Ottawa

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

STEMPEL and PATRICK SASKATOON and YORKTON, Sask.
Chartered Accountants

Your Mining Stocks

The Financial Post offers to subscribers a special mail service of information on Canadian mining securities. Letters of general interest will be published anonymously.

The Financial Post undertakes to supply *facts* about mines rather than opinions. We will not select lists of stock for investment nor make forecasts. We cannot answer enquiries by telephone or telegraph.

The service is confined strictly to regular subscribers

A three-cent stamp and address label from The Financial Post must be enclosed. Address The Financial Post, 481 University Ave., Toronto 2.

Clark Gold Mines

I have been told that Clark Gold Mines will develop into "another Hollinger or Lake Shore." Please give me information you have available on the merits of this company.

Clark Gold Mines is developing a property in Kenora mining division of Ontario. It is currently drifting on the 125-ft. level, while the shaft is being deepened to 500 feet. Company is capitalized at two million shares, of which 1,250,000 shares have been issued.

This enterprise is a gold prospect upon which a limited amount of work has been done and it is, of course, absurd to compare it with such extensively developed and well-established mines as Hollinger and Lake Shore. Clark Gold estimates, according to the most recent report we have seen, that enough ore is blocked out to supply a 20-ton mill for 200 days. This is a slim margin of ore and indicates that considerable additional development work will have to be done before the property warrants a commercial mill.

In the meantime the stock, in our opinion, is highly speculative.

Halliwell Gold

May I trouble you for some comments on Halliwell Gold Mines. My portfolio includes some shares in this company.

Halliwell Gold Mines is a well-sponsored gold prospect in Beauchastel twp., Quebec, where it owns a group of 52 claims. The company has carried out extensive diamond drilling and is now exploring its property underground, a step which appears to be justified.

Some fairly high grade but erratic values have been found in underground work down to the 450-ft. level. This work has not yet progressed far enough to shape out any ore body. Some interesting copper values have also been obtained but nothing important in this regard has been found as yet. All that can be said at present is that initial results have been encouraging.

The company has contracted with Noranda Mines for the treatment of its ore. Officials report the arrangement was negotiated on very reasonable terms. Halliwall expects to be in production this month, exactly a year from the commencement of shaft sinking.

Foster Cobalt Mining Co.

I have held for some time shares in Foster Cobalt Mining Co., and should appreciate your bringing me up-to-date on the situation at this property.

Foster Cobalt Mining Co. owns a property in Cobalt which is being operated under lease. While the activity is limited in scope, the company's charter is still alive. At some future date the property may be sold and some distribution made to shareholders.

The company has paid off loans previously outstanding and we are informed that it has approximately $10,000 or $11,000 in cash or bonds in its treasury. Its future appears to depend largely upon the success attained in disposing of it to other interests. The company is capitalized at one million shares ($1 par) of which approximately 916 shares are outstanding.

McGillivray Creek Coal

Please summarize for me the outlook for McGillivray Creek Coal & Coke Co. What are its earnings possibilities?

McGillivray Creek Coal & Coke Co. owns and operates bituminous coal mining properties northwest of Coleman, Alta. Daily capacity is about 2,000 tons. This company and International Coal & Coke Co. were brought under unified management in April, 1935. Consolidated Mining & Smelting Co. acquired a substantial interest in this concern, which resulted in the negotiation of several new contracts.

McGillivray Creek is capitalized at 3,000,000 $1 par value shares, of which 2,682,992 were outstanding at last report. At the end of the fiscal year closing Dec. 31, 1936, current assets amounted to $452,682, including cash of $162,568 and marketable securities $201,154. Current liabilities were $53,041. Net profit for 1936 was $54,975, from which was deducted a dividend of one cent per share. In 1936, the company reduced its deficit from $409,151 to $382,863.

Dividend of one cent per share was paid in March, 1937. Earnings depend to a large extent on western crop conditions, and an increase in the earnings position does not appear likely. Output decreased in 1936 as compared with 1935 due to the above conditions and also to the displacement of bituminous coal by competitive fuels.

Alexandria Gold Mines

As a shareholder of Alexandria Gold Mines I should appreciate some information on this company. Is it true that work is to be resumed here?

Alexandria Gold Mines was incorporated in Ontario in 1927. Through a subsidiary, Alexandria Mining Co. Ltd., Alexandria Gold Mines has an interest in a gold prospect in the Nanaimo mining district of British Columbia. This property, idle since 1932, is now to be re-worked, finances for this purpose having been obtained through a Toronto brokerage firm. At last reports, Alexandria Gold Mines held 2,694,549 shares of Alexandria Mining Co.

This company's past record has not been outstanding, nor has the property of Alexandria Mining Co. demonstrated that it has any more than a potential value. The stock is highly speculative.

J. M. Dunwoody, C.A.
C. W. Nicholl, C.A. Thos. E. Saul, C.A.
DUNWOODY, NICHOLL, SAUL & CO.
CHARTERED ACCOUNTANTS
Winnipeg, Man., and Fort Frances, Ont.

New Golden Rose Mill Up to 120 Tons Daily

From Our Own Correspondent

SUDBURY.—Operations are proceeding satisfactorily at the New Golden Rose mine on Emerald Lake and the new mill is now well in its stride, treating between 117 to 120 tons daily. Development work is progressing and it is believed that the programme for 1938 will provide for a slight increase in daily mill tonnage. It is unofficially estimated that production rate is currently around $500,000 annually.

Montague Gold Mines Share Option Completed

From Our Own Correspondent

MONTREAL. — Montague Gold Mines announce that 51,946 shares have been issued and paid for at 35 cents a share under the terms of the underwriting agreement. This completes the underwriting of 200,000 shares at 35 cents a share and brings the number of outstanding shares up to 1,199,805.

Kirkland Lake Output at Peak

Mill Production Now on Basis of 235 Tons Per Day

In the current quarter, production at Kirkland Lake Gold Mining Co. is running at the highest rate in the company's history. Mill has been handling about 235 tons daily, but November tonnage exceeded this, V. H. Emery, managing director of Northern Canada Mining Corp., reported to shareholders of the latter company at the annual meeting.

A cyanide addition, Mr. Emery said, has increased extraction to 95%, as compared with the former figure of below 90%.

The proposal to form a new 1.5-million share company to acquire all the assets of the old company except for one million shares received the approval of the meeting. For each five shares held in the old company, shareholders will receive two shares of Kirkland Lake Gold and two shares in the new company. Dr. J. B. Tyrrell, president of Kirkland Lake Gold, told shareholders that this company had seen "remarkable development" in the past year.

Chromium Spending $100,000 at Sault

From Our Own Correspondent

SUDBURY.—The sum of $100,000 is being expended on installation of new furnaces at the Chromium Mining and Smelting Corp.'s plant at Sault Ste. Marie, and construction of additional buildings is also under way, a 40-foot by 40-foot unit being built east of the laboratory building, to be utilized for storage. When the changes now being effected are completed it is understood they will double the capacity of the plant. Recently it was announced by the company that an additional smelting unit would be constructed at some unnamed location.